

County of McHenry, Illinois



Comprehensive Annual Financial Report

For the Fiscal Year Ended November 30, 2008

County of McHenry, Illinois

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For the Year Ended November 30, 2008

Prepared by the County Auditor's Office:

Pamela Palmer, County Auditor

Jim Bernier, CPA, CPFO, Senior Accountant/Chief Deputy Auditor

INTRODUCTORY

County of McHenry, Illinois

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County of McHenry, Illinois

OFFICERS AND OFFICIALS

November 30, 2008

COUNTY BOARD MEMBERS

Kenneth Koehler, Chairman
Yvonne M Barnes
Marie Chmiel
Randall Donley
Mary L. Donner
Sue Draffkorn
Ed Dvorak
John D. Hammerand
James Heisler
Tina Hill
John Jung, Jr.
James P. Kennedy

Mary T. McCann
Peter J. Merkel
Anna May Miller
Marc J. Munaretto
Lyn A. Orphal
Virginia Peschke
Nick Provenzano
Daniel P. Ryan
Sandra Fay Salgado
Dan Shea
Barbara Wheeler
Mary Lou Zierer

ELECTED OFFICIALS

Pamela Palmer
Vernon W. Kays, Jr.
Marlene A. Lantz
Katherine C. Schultz
Phyllis K. Walters
Keith Nygren
Louis A. Bianchi
Gene Goeglein

William LeFew

Auditor
Clerk of the Circuit Court
Coroner
County Clerk
Recorder
Sheriff
State's Attorney
Superintendent of Educational
Service Region
Treasurer

ADMINISTRATIVE

Peter Austin

County Administrator



PAM PALMER
COUNTY AUDITOR

JIM BERNIER
SENIOR ACCOUNTANT/
CHIEF DEPUTY



PHONE: 815 334-4204
FAX: 815 334-4621

May 14, 2009

To the Chairman of the Board,
County Board Members, and the
Citizens of McHenry County, Illinois:

We are pleased to present the Comprehensive Annual Financial Report (CAFR) for the fiscal year ended November 30, 2008 as prepared by the McHenry County Auditor's Office and audited by the independent certified public accounting firm of Virchow Krause, LLP. Illinois State Statutes require the County to produce a complete set of audited financial statements for each fiscal year. This CAFR is provided to fulfill that requirement for the fiscal year 2008. The financial statements included in the CAFR conform with generally accepted accounting principles in the United States of American (GAAP), as established by the Governmental Accounting Standards Board. The County is responsible for the accuracy and fairness of the financial statements and information presented in this report. I believe that the data presented conforms with that responsibility and enables readers of the report to gain an understanding of McHenry County's operations.

In addition, the Management of the County has the responsibility to establish and maintain accounting policies and procedures and other internal controls for the preparation of complete and accurate County financial statements in accordance with GAAP. Because the cost of internal controls should not outweigh their benefits, the County's comprehensive framework of internal controls has been designated to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. This CAFR is intended to be used as a source of financial information and data for the citizens of the County, board members and other elected officials, investors, creditors, and other readers. The Auditor's Office can be contacted with any questions concerning the CAFR, which can also be viewed (along with prior year CAFRs) via the Auditor's webpage at <http://www.co.mchenry.il.us/common/CountyDpt/auditor/default.asp>.

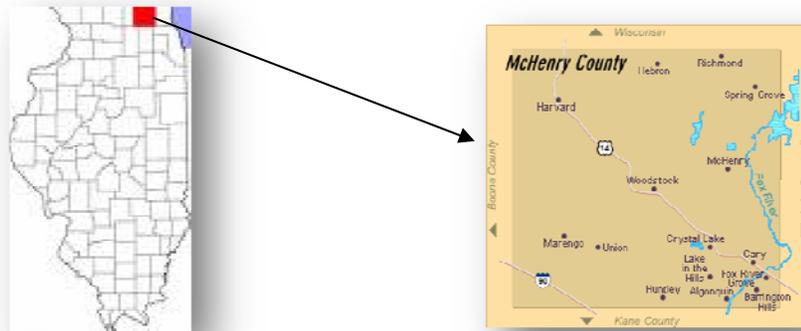
The CAFR is presented in three sections: introductory, financial, and statistical. The introductory section includes this transmittal letter, the listing of elected and appointed County officials, the table of contents, the organizational chart, and the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association. The financial section includes the independent auditors' report on the financial statements, the Management's Discussion and Analysis, the basic financial statements and the combining and individual fund financial statements and schedules. The statistical section includes selected financial, economic and demographic information, generally presented on a multi-year basis.

The County Board is required by Illinois state statute to adopt an operating budget before the start of a new fiscal year. The annual budget serves as the foundation for the County's financial planning and control. The budget is maintained on an object code basis (personnel services, contractual, commodities, capital, etc.) by department. Transfers of budgeted amounts between funds or any amendments to the originally approved budget by means of an emergency appropriation require approval by the County Board.

The CAFR also reports the activities of two component units, the Public Building Commission and the McHenry County Conservation District, as required by GASB Statement No. 14. For a detailed description of the relationship these organizations have with the County that require them to be reported as component units, see note 1 of the Notes to Financial Statements.

In accordance with GAAP, this CAFR includes Management’s Discussion and Analysis (MD&A), which provides a narrative introduction and an overview and analysis to accompany the basic financial statements. This letter of transmittal is designed to complement the MD&A, and should be read in conjunction with it. The remainder of this transmittal letter will provide an overview of the County’s economical conditions and demographic information along with accomplishments during fiscal year 2008 and the future initiatives of the County.

Profile and History of McHenry County, Illinois



McHenry County is located in the northeastern part of Illinois. The county covers a total area of 611 square miles consisting of 603 square miles of land and 8 square miles of water. The estimated population for 2008 is 318,641 and is discussed in more detail later in this letter. Over 30 communities cover the county with residential growth covering the eastern half and rolling countryside to the west. McHenry County is approximately 50 miles northwest of Chicago and has access to I-90 in the southwest corner of the County. Several state highway routes transect the County, making it accessible to areas in northern Illinois or southern Wisconsin. Adjacent counties include Walworth and Kenosha Counties in Wisconsin (north), Lake and Cook Counties (east), Kane and DeKalb Counties (south) and Boone County (west).

The early beginning of the County resulted from people who moved out from the Chicago area in search of land and farm sites. They petitioned the Illinois legislature in 1836 to form a new local county. The new area was named after Major William McHenry, an Indian fighter who died in Vandalia in 1835. Originally, McHenry County stretched to Lake Michigan on the east until 1839, when voters were granted the right to form a new county called Lake County. As the Fox River ran through the center of the County, the village of McHenry was named the county seat. However, a more central location was desired and the county seat was relocated to Centerville in 1844. Centerville was renamed to Woodstock in 1845 and remains as the county seat. In December 1849, voters established a township system of government, in part to provide a better system for road taxation, due to the poor road systems in place. The introduction of railroads brought changes to the County as it enabled farmers the ability to ship their products to Chicago’s markets and provided transportation for commuting to city jobs. All of the changes made throughout the early years resulted in migration of residents who sought the rural lifestyle for raising their families while still having access to the city for their jobs. The result of this transformation was the growth and establishment of the towns, cities and villages that exist today.

Besides the 17 townships that McHenry County is organized under, the county is divided into 6 County Board districts with 4 representatives elected from each district. Every two years, the County Board elects one of the members as Chairman of the County Board, along with a Vice-Chairman. There are also 9 other officials elected by the citizens of the county. The County Board appoints the departmental directors. A County Administrator is the chief administrative officer and prepares and recommends the annual budget, implements policies and procedures, manages daily operations, and oversees department directors.

The County provides a range of services for its citizens including law enforcement, construction and maintenance of roads and bridges, property assessment and tax collection, official records, elections, document recording, comprehensive planning and growth management, social service programs, judicial functions, health services, animal control services, emergency disaster and response planning, storm water management, environmental protection, groundwater protection, and the administrative functions to support all of these services.

Economic Condition of McHenry County, Illinois

Local Economy

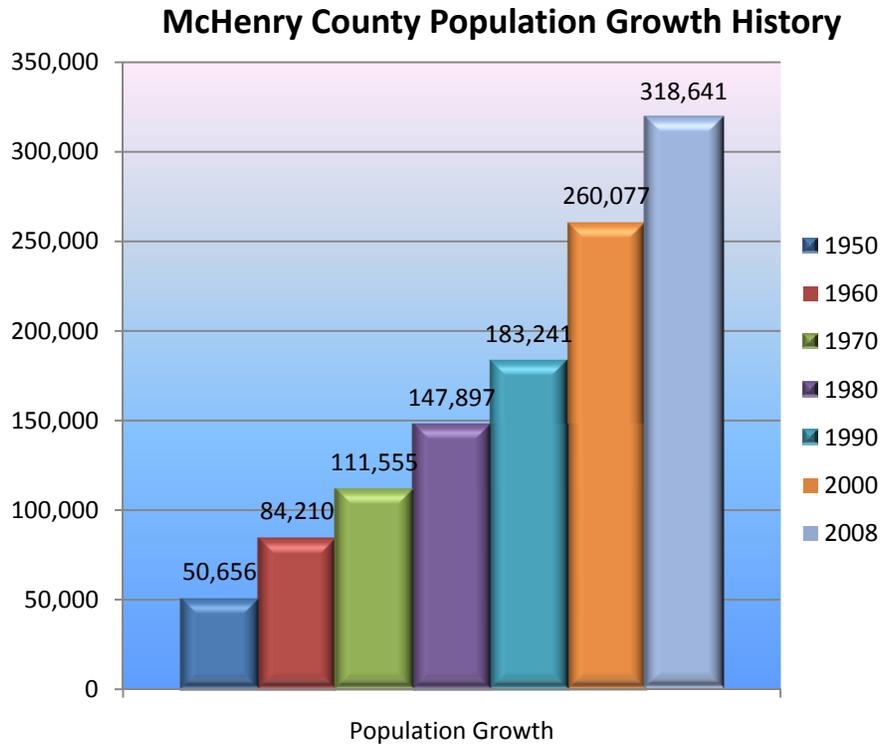
Conservative fiscal management has allowed McHenry County government to maintain a sound financial position, as is highlighted later in this letter under Long-term Financial Planning and Relevant Financial Policies. Even with the economic downturn and the decline in some governmental revenues, the County's budgeting practices and future planning is reflected in a continued strong financial condition.

Locally, unemployment has increased and the housing market has hit a slump. However, the planning and future initiatives performed by the County will assist in weathering the situation. Improving transportation and the infrastructure within the County is part of the Strategic Plan, which will assist in boosting economic development and the quality of life for the residents. The rapid population growth is expected to continue and requires careful management of resources by the County and municipalities. The Northern Illinois Market Facts report (produced by Northern Illinois University's Governmental Studies Office) projects a population of 420,958 by the year 2020, according to a Woods and Poole projection.

The median household income of \$74,115 for McHenry County at 2007 published by the United States Department of Agriculture is well above the State of Illinois median household income of \$54,141. Also, per capita retail sales by retail stores in the County for 2007 totaled \$11,644 as compared to the Northern Illinois Region total of \$12,956, based upon data from the Illinois Department of Revenue and Census estimates.

Population Growth

For July 1, 2008, the U.S. Census Bureau published the County's estimated population at 318,641, which keeps McHenry County ranked as the sixth largest county in Illinois as in 2007. For the population change from 2000 to 2007, the County experienced a 22.5% increase and ranked fourth in the state with a population change of 58,564 residents for the eight year period. The State of Illinois has experienced a 3.9% population increase for the same eight year period. McHenry County ranks 247 out of the 3,193 counties in the U.S. for the 2008 population estimate. The following chart shows the population growth each 10 years starting with 1950 and includes the 2008 estimate:

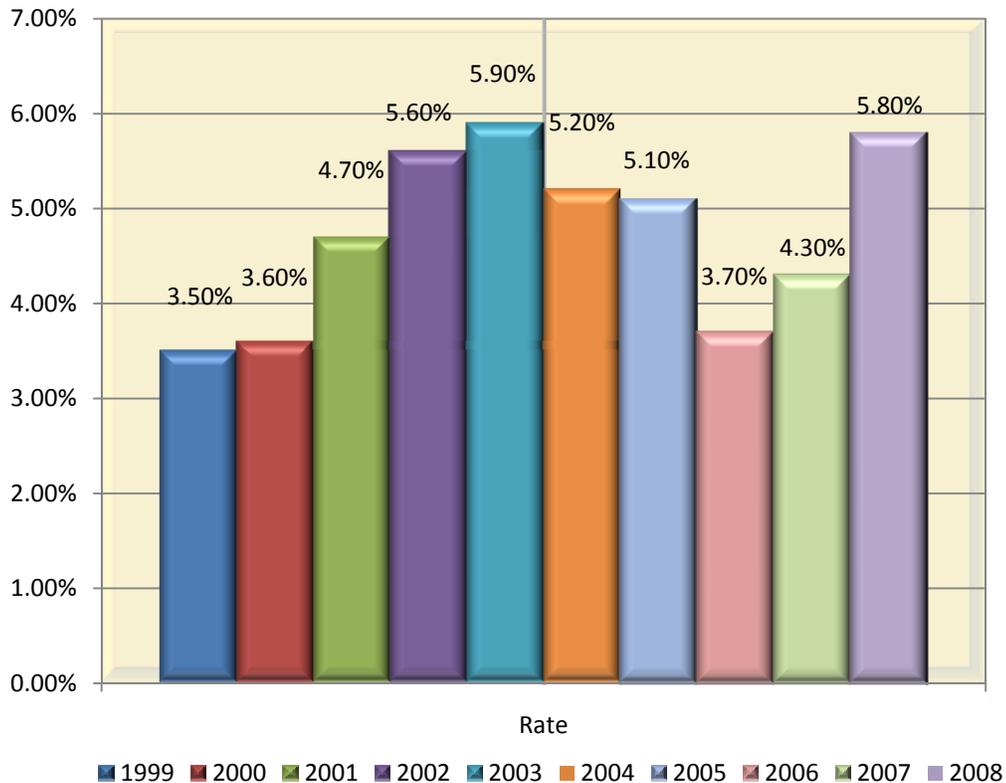


The County's population growth was significant in the 1990's with an overall increase of 41.9% from 1990 to 2000, but the rate has slowed down during the 2000's. In the draft of the 2030 Land Use Plan, the Regional Planning Commission estimates that the County will reach a population of approximately 510,000 by the year 2030.

Unemployment

The County's average annual unemployment rate for 2008 was 5.8% as compared to 4.3% average annual rate for 2007. McHenry County's rate of 5.8% also ranked 17th lowest of the 102 Illinois counties for 2008 for annual averages, as reflected by the Illinois Department of Employment Security (IDES). There were 10,565 people facing unemployment in 2008 out of the total 180,940 labor force. The chart below represents that average unemployment rate over the past ten years:

McHenry County Unemployment Rate History Average Annual Rate



SOURCE: Illinois Department of Employment Security – LAUS Report

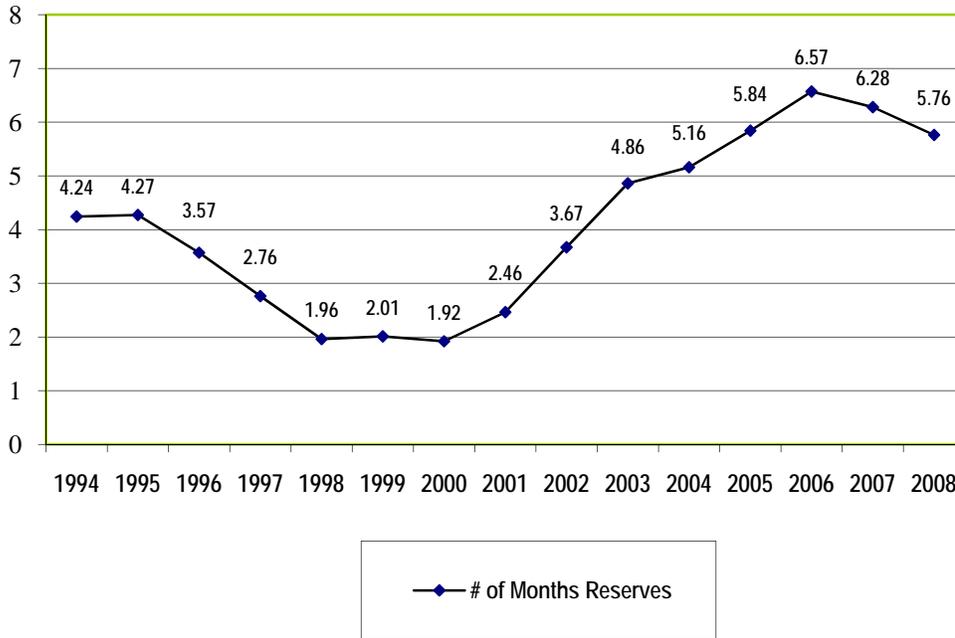
Long-term Financial Planning and Relevant Financial Policies

A key factor in the quality of the County’s current financial position is prudent financial management. A prime application that exemplifies the fiscal discipline the County strives to maintain is described in the following paragraph.

An important tool developed by the County’s administration in 2002 is the financial model for the General Fund, which is used to assess the County’s condition and to assist in making financial decisions. This model allows the County to manage the budget and conduct long-range planning based upon certain assumptions that are incorporated. The County Board has instructed Administration to maintain a five month unrestricted cash reserve as a benchmark. The County achieved this benchmark in fiscal year 2004 and has further strengthened the position through fiscal year 2008. Historically, the County dipped to under two months of unrestricted general fund cash reserves in the late 1990s and department heads were asked to make major cuts in their budgets. Through prudent financial operations, a maintenance budget for contractual services and commodities, and producing “what if” scenarios on the financial model for the evaluation of potential major expenditures or programs; the reserves have been built to a conservative level that prudently serves the taxpayers and residents of the County.

The following chart reflects the General Fund’s unrestricted reserves from 1994 through 2008:

General Fund - History of Unrestricted Reserves



Budgetary Controls

McHenry County has operated on a “no growth” budget for the past several years, which means that each department starts out with the same appropriated budget from the prior year. This could vary depending on any one time only supplemental requests or expiring grant programs. Supplemental requests are reviewed during the budget process by County Administration, the Committee of the Whole, and the Finance and Audit Committee and ranked by priority based upon overall department needs and the importance. The purpose of the supplemental request in meeting the strategic and financial goals of the County is also considered and the decision to fund the request is based upon the amount of supplemental funds available. The County’s Financial Model (discussed in the paragraph above) is also used utilized to determine the supplemental funds that are available.

Cash Management

McHenry County’s Investment Policy contains cash management and investment guidelines for the County Treasurer, who is responsible for the stewardship of all County funds, and the County Auditor, who is responsible for the accounting of said funds. The specific objectives of the policy include: 1) the safety and preservation of the principal, 2) sufficient liquidity to meet the County’s operating requirements, 3) maximization of interest income consistent with safety and liquidity, 4) diversification of account holdings in financial institutions with respect to the policy objectives of safety, liquidity, and income, 5) diversification of the types of depository and investments accounts with respect to the objectives of the policy, and 6) compliance with all applicable laws and regulations by which the Treasurer is bound.

Capital Plan

A five-year capital plan is prepared for building improvements and building construction projects, technology, vehicles, and equipment. These capital plans attributed to General Funds are made a part of the Financial Model in order to determine their impact on the fund balance.

Strategic Planning

McHenry County adopted its first Strategic Plan in November 1999. In the 2007 Strategic Planning Board Retreat, goals or action items were identified by County Board Members, Elected Officials, and Department Directors facilitated by Dr. Gregory Kuhn, Ph.D., a Research Associate with the Center for Governmental Studies at Northern Illinois University. The goals identified were broken down further by long-term or short-term, complex or routine goals. The organized goals were then presented to the County Board during a meeting in 2008 for review and discussion. County Administration has placed these goals on the County's Intranet and quarterly tracking of completed goals and progress was maintained during fiscal year 2008. Criminal Justice, Economic Development, Facilities, Fiscal Stability, Growth Management, Operations, Public Services, Quality of Life, and Transportation were categories developed to place these goals into. In late 2008, a contract with Public Knowledge, LLC was signed to move strategic planning to a higher level and to incorporate performance measurement services. Meetings will be held in early 2009 for this process.

Major Initiatives

General and Administrative

- “Planning for the future” continues to be a priority for the County Board. The County's strong reserves reflect this strategy. In fiscal year 2008, the Board held meetings with KS&A on options and plans for County buildings for needs in the next twenty years. The downturn in the economy will delay some of the timetables for construction, but the foundation has been laid for proper financial planning.
- A new sound system was installed in the County Board room to assist with problems in hearing the proceeding of meetings. Future plans for video streaming have been investigated, but will be held off until funding is feasible.
- The County Auditor's Office was notified of their 10th consecutive year of being awarded the Government Finance Officers Association's Certificate of Achievement for Excellence in Financial Reporting. Staff from the Auditor's Office, along with County Administration, worked diligently with the Segal Group, Inc., to have an actuarial study performed on post employment health benefits to determine the liability the County is potentially exposed to. This is required by GASB No. 45 – Other Post Employment Benefits (OPEB), which the County is required to implement in fiscal year 2009.
- In an effort to acquire more “green” purchasing by departments, the County became a member (the first county in Illinois) of the United States Green Building Council, which was a goal of the County Board's Strategic Plan and was initiated by Purchasing Director Cathy Link. Also, the County adopted the McHenry County Green Policy, which will be implemented for purchasing, building operations, and building construction. A Green Team has been established for creation of this policy and to monitor the County's “green” efforts. Most importantly, the Green Policy language is now standard language for bids and RFP's issued by the County.
- Facility Management also played a role in the “green” initiative of the County. Cleaning products were used in a pilot program offered through NACO (National Association of County Officials), with McHenry County being the second county in the United States to sign up for this program. Additionally, Facility

Management oversaw a large tiling and soundproofing project on the third floor of the Government Center for some very much needed improvements.

- The County Clerk's office had a very busy year, particularly with the Primary and General elections in a Presidential year. For the General Election, voter turnout was high. A total of 23,430 registered voters took advantage of early voting at several convenient polling locations throughout the County. Final voting results showed that 140,002 residents voted out of a total of 199,378 registered voters, or 70.2%. The County Clerk obtained an Election Administration Improvement Grant and an Accessible Voting Equipment Grant to assist with the mounting costs for running elections. Voting information kiosks that contain touch screens to educate citizens about the voting process were purchased with some of the grant funds. These kiosks are available on loan and libraries throughout the County have requested units.
- The County Recorder began a free subscription service offering quick, personal notification via email or telephone if a document is recorded in their name. A Deed Notification Program, which sends a postcard notice to all property "grantors" when a deed has been recorded, alerts residents to a change of ownership or change of title to help protect property owners from forged deeds. The Recorder's Office also began recording documents electronically (eRecording) in June 2008. This is a paperless process that offers time and costs savings to both the Recorder's Office and document submitters of land records including satisfactions, mortgages, and reconveyances.
- The County Treasurer's Office has been concentrating on enhancing the real estate tax bill process. First, the implementation of the new tax cycle software, DevNet, has enabled the Treasurer to implement the ability for taxpayers to view and print a copy of their real estate tax bill right from their own computers. The Treasurer also began a "tax ombudsman" program for senior citizen property tax discounts and will make home calls for homebound individuals to assist with completing applications for these tax discounts.
- County Administration coordinated many activities and projects throughout the fiscal year. The following are some of the major initiatives that were conducted: 1) The annual budget is an extensive process, especially in the downturn of the economy. Administration has ramped up quarterly monitoring of department budgets and has conducted analyses of various major expenditures to search for cost savings. 2) The first phase was almost completed on the Groundwater Resources Management Plan, which is a multi-year study of ground water availability and protection. 3) \$1.7 million in Federal funding for road construction and public safety was obtained through the legislative agenda. 4) The Klehm property located adjacent to current McHenry County property and at the intersection of U.S. Rt. 47 and Ware Road was obtained in September 2008. This almost 30 acre parcel is part of future expansion being planned by the County and an office building on the property will temporarily solve a space shortage within the County Clerk's Election Division needs. 5) Considerable work was done on revising the management and governance of Valley Hi Nursing Home after a study was conducted and Revere Healthcare LLC was contracted to manage the operations. A new administrator, Mr. Robert Yearian, was brought on board during 2008 by Revere.
- The Assessor's Office had a very busy year with the final implementation of the new tax cycle software, DevNet, and the starting phase of real estate assessment appeals by county residents.
- Information Technology (IT) plays a major role in the government as there is a great dependence by all County departments on computer systems for their daily operations. As all desktops and laptops within the organization were replaced according to the lease schedule enacted by the County, various new and updated software applications were supported by IT for several departments as well as county-wide migration of the County's email to Microsoft Exchange. Also, the implementation of Microsoft SharePoint for document management practices occurred during 2008 with training classes. An Information Technology Committee was also created to discuss future needs on the departmental level, which assists with proper planning and future budget needs.

- Continuing on with major enhancements, Human Resources accomplished much during the fiscal year. A McHenry County Job Classification System addressing wages, grade levels, and compensation was implemented after a study conducted by RSM McGladrey. Separate phases of this study included internal equity adjustments for certain positions and also assisted in the development and approval of a Salary Administration Policy. Additionally, a switch in fiscal year 2007 to a Group Health Insurance Self Funding Program resulted in a mid-year 2008 report of savings of almost \$450,000 to the County. Human Resources also began work during the year on creating an Employee Wellness Program, which will include a newsletter, proposed Health Risk Assessment program for employees, and other health-related events. A successful program can help to produce cost savings for the County.

Transportation

- The McHenry County Division of Transportation (DOT) expended \$25.8 million in 2008 and obligated an additional \$19.9 million to maintain and improve the County's transportation network.
- The following projects were highlights in 2008: 1) Finished all construction, striping, signaling, etc., on 2.5 miles of Algonquin Road from Randall Road to Lakewood Road. 2) Widened 2.3 miles of Algonquin Road from Lakewood Road to IL Rt. 47. 3) Received notice to proceed with Phase II Engineering for the West Algonquin Bypass. 4) Finished Harmony Road and U.S. Rt. 20 intersection improvements. 5) Initiated engineering on seven bridge replacements. 6) Resurfaced 7.25 miles of County highway. 8) Began implementation of Cartegraph to manage DOT assets and assign maintenance tasks.

Community Development

- The County's Planning and Development Department, along with the Regional Planning Commission (RPC) made significant and extensive progress in writing the 2030 Comprehensive Land Use Plan.
- A total of 85 zoning requests, 21 subdivision submissions, and 13,539 permit applications of varying types were handled during 2008 by Planning and Development. Within the department, the CDBG and HOME Grant Programs had allocations in 2008 of \$1,061,182 and \$757,769, respectively.
- The Geographical Information Systems (GIS) Department received authorization from the Board to participate in the USGS Joint County Aerial Project, which will allow for the County to obtain new aerial photographs. This was last completed in 2005 and joining with surrounding counties (Cook, Lake, DuPage, Kane and Will) on this project is anticipated to reduce the final costs. In addition, GIS was able to implement a new web mapping application, Athena, which is available for the County and the general public to use.

Public Safety

- The McHenry County Sheriff's Department has been a leader in obtaining grants to assist with their operations. In fiscal year 2008, the Department received a \$500,000 grant for their interoperable communication issues. This amount was part of a one-time grant opportunity which resulted in \$5.1 million of PSIC (Public Safety Interoperable Communications) grant dollars awarded to a collaboration of law enforcement agencies, first responders, emergency management agencies, schools, etc., from six Illinois counties (McHenry, DeKalb, Winnebago, Boone, Ogle and Stephenson), with the McHenry County Sheriff's Department being the lead agency in administering the grant award for the consortium. This grant allows for the purchase of inter-operational radio communication equipment and requires a 20% match.
- The Sheriff also created a position of a CALEA (Commission for the Accreditation of Law Enforcement Agencies) manager as the Department started the process to complete the accreditation process.

There are only a few County Sheriff Departments with this accreditation and achieving this has many benefits, including greater accountability, reduced risk and liability exposure, stronger defense against civil lawsuits, operational efficiency, and increased community advocacy.

- The agreement that the Sheriff's Office has with the Department of Justice's Immigration and Naturalization Service (INS) to house ICE (Immigration and Customs Enforcement) detainees resulted in nearly \$10 million in revenues for the County in FY2008. The Sheriff first approached the County Board in 2004 about expanding the jail with federal grant dollars and to enter into an agreement with the U.S. Marshall to house these detainees. This assisted in building out the empty 3rd floor of the jail and has resulted in additional revenues from bed rentals with capacities for this program reaching the highest levels ever in 2008.
- The County's Emergency Management Agency (EMA) became a participant in the Illinois Emergency Management Mutual Aid System Response through an intergovernmental agreement.

Judiciary and Court Related

- The Clerk of the Circuit Court's Office continued work with consultants to develop a fully operational integrated court information system for the Circuit Clerk's Office, State's Attorney, Public Defender and Court Service's departments. An interface will also include the Sheriff's Department. This Integrated Criminal Justice System (ICJIS) will allow for electronic transfer of information between the Courts and law enforcement agencies.
- Court Administration started up a Legal Self Help Center and with the approval of a part-time staff person, the public is now able to conduct on-line research and print legal forms.
- The State's Attorney Office conducted Trial Preparation Training for local area law enforcement officers. Additionally, the Office's Check Enforcement Program has collected over \$100,000 for business owners in McHenry County since it was created in-house in February 2007. As of August 2008, approximately 100 McHenry County businesses have benefitted from the program.
- The first anniversary of the Mental Health Court started in April 2007 and experienced growth in the number of participants in 2008. The major objectives with this specialized court are to reduce the number of repeat offences with the involvement of law enforcement and the justice system and to improve the quality of life for those involved in the system.

Public Health and Welfare

- The Health Department continues to successfully receive grants to assist them with meeting the health needs of McHenry County residents. An example of this is a \$255,000 grant from the Illinois Children's Healthcare Foundation for the Dental Care Clinic Fund. Perhaps the biggest 2008 news although, was the opening of the new Animal Control Facility in Crystal Lake during the second week of February. The facility site was chosen to allow residents to have a more centralized location for animals and adoption rates increased substantially after the opening. The building also houses a nursing division unit that includes the Illinois Breast and Cervical Cancer program and the WIC (Women, Infants, and Children) nutritional program through the U.S. Department of Agriculture.
- The McHenry County Mental Health Board launched a "ThinkFirst" chapter to promote awareness and prevention of traumatic brain injury in children, with presentations to more than 1,300 students throughout the county. Mental Health also completed Local Funds Certification submission for Federal Match on local tax dollars, resulting in part of nearly \$200,000 in new additional federal dollars claimed in 2008 through Federal funds participation in Medicaid billings and documentation to process and adjudicate claims. Mental Health also funded and completed the McHenry County Affordable Housing Study with the McHenry County Continuum of Care, Senior Services Commission, and the

Corporation for Affordable Housing for McHenry County (CAHMCO). Also, the first series of WRAP/Wellness Recovery Action Plan classes for individuals recovering from a serious mental illness was supported by Mental Health.

Debt Rating

Moody's Investor Service assigned an Aa1 rating to the \$50 million General Obligation Limited Tax (GOLT) Debt Certificates that were obtained in FY2007. This rating was also applied to the County's other GOLT debt. This rating reflects *"the strong credit fundamentals inherent in the County's overall credit profile including solid financial operations with growing reserve levels; a large, diverse and rapidly expanding tax base featuring above-average income levels; and modest amount of rapidly retired debt."*

McHenry County 2030 Plan

The McHenry County Regional Planning Commission first met on November 9, 2006 to begin planning on the 2030 Land Use Plan. This updates the 2010 Land Use Plan that was adopted in October of 1993 and the 2030 Plan will most likely be adopted during fiscal year 2009. During 2007-08, considerable progress was made through work on the Plan by subcommittees addressing such issues as land use, transportation and infrastructure, water resource management, open space and natural resource conservation, agricultural protection, community character, economic development, and others. The Plan is intended to serve as a guide for regional planning and decision making over the next two decades and into the year 2030.

Federal Legislative Program

As a local government, the County depends on financial assistance from the state and federal governments to meet the needs of the estimated 318,000 county residents. The County gathers suggestions and recommendations from County offices and departments in order to develop a Federal Legislative Program each year. In the beginning of 2008, the County Board passed a resolution adopting the Federal Legislative Program for FY2009. Included in this program are: 1) A Ground Water/Storm Water Strategic Protection Plan for assistance in three areas: Ground Water Protection, Geologic Mapping and Groundwater Flow Modeling, and Amending the Water Resources Development Act; 2) Transportation support for two project requests: Miller Road (IL Rt. 31 to River/Chapel Hill Roads) and the Rakow Road Widening; 3) \$700,000 to assist with the creation and implementation of a redundant dispatch capability between the Sheriff's Office Communication System and the system operated by Southeast Emergency Communications (SEECOM), located in southeastern McHenry County; 4) \$1,000,000 to complete a multi-year technology plan to integrate information networks and develop a seamless, automated system for law enforcement agencies, the State's Attorney's Office, the Court-related offices, the Public Defender's Office and Probation; 5) \$225,000 to fund the F.A.S.T. Solutions Initiative – a flexible and sustainable workforce training in a "boot camp" format so that employers' needs for skilled workers and residents' needs for livable wages are continually and quickly met.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to McHenry County for its CAFR for the fiscal year ended November 30, 2007. This was the tenth consecutive year that the county has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report, the contents of which conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal

requirements. The GFOA award is valid for a period of one year. I believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

I would like to thank the entire Auditor's Office staff for their contributions to both the financial accounting process and their related work on the audit, especially Senior Accountant Jim Bernier, who has made valuable contributions to the issuance of this report and in streamlining the reporting process. We have received support from our independent auditors, Virchow, Krause & Company, LLP, and appreciate their professional efforts. Also, the cooperation received from the elected officials and department directors and their supervisory staff with audit information requests is an integral part to the preparation and completion of this report.

Sincerely,

A handwritten signature in cursive script that reads "Pamela Palmer".

Pamela Palmer

McHenry County Auditor

Certificate of Achievement for Excellence in Financial Reporting

Presented to

County of McHenry
Illinois

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
November 30, 2007

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



A handwritten signature in black ink, appearing to read "M. L. Post".

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer".

Executive Director

FINANCIAL

INDEPENDENT AUDITORS' REPORT



INDEPENDENT AUDITORS' REPORT

To the Honorable Chairman and
Members of the County Board
County of McHenry, Illinois

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of McHenry, Illinois as of and for the year ended November 30, 2008, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County of McHenry, Illinois' management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Public Building Commission's Debt Service Fund (Blended Component Unit), which represent .08 percent, .12 percent and .01 percent, respectively, of the assets, fund balances, and revenues of the other governmental funds. We also did not audit the financial statements of the Conservation District (Discretely Presented Component Unit), which represent 100 percent of the assets, net assets, and revenues of the discretely presented component unit. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Public Building Commission's Debt Service Fund (Blended Component Unit) and the Conservation District (Discretely Presented Component Unit), is based on the reports of the other auditors. The prior year summarized comparative information has been derived from the County's 2007 financial statements and, in our report dated May 14, 2008, we and other auditors expressed unqualified opinions on the respective financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinions. The financial statements of the Public Building Commission, a blended component unit of the County, reported as a Debt Service Fund of the County, were not audited in accordance with *Government Auditing Standards*.

To the Honorable Chairman and
Members of the County Board
County of McHenry, Illinois

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of McHenry, Illinois, as of November 30, 2008, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we will issue our report on our consideration of the County of McHenry, Illinois' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and other required supplementary information as listed in the table of contents are not a required part of the basic financial statements, but are supplementary information required by the Governmental Accounting Standards Board. We and the other auditors have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of McHenry, Illinois' basic financial statements. The combining and individual fund financial statements and schedules, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The "Letter of Transmittal" and "Statistical Section" listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements of the County of McHenry, Illinois. The information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on such information.

Virchow, Krause & Company, LLP

Madison, Wisconsin
May 14, 2009



County of McHenry, Illinois
Management's Discussion and Analysis (MD&A)
For the Year Ended November 30, 2008

This section of the County of McHenry, Illinois' (the "County") comprehensive annual financial report presents management's discussion and analysis (MD&A) of the financial activities of the County during the fiscal year ended November 30, 2008. Please read it in conjunction with the Transmittal Letter, located at the front of this report, and the basic financial statements, including the accompanying notes to financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- Total assets of the County exceeded its liabilities by \$351.4 million, as of November 30, 2008. Of this amount, \$190.7 million represents net assets invested in capital assets, net of related debt, \$94.8 million represents net assets restricted for specific activities, and \$65.9 million represents unrestricted net assets. \$324.5 million represents net assets for governmental activities and \$26.9 million represents net assets for business-type activities.
- Net assets increased by \$22.5 million for governmental activities and increased by \$4.9 million for business-type activities, for the fiscal year ended November 30, 2008.
- The County's governmental funds reported combined ending fund balances of \$144.5 million, as of November 30, 2008. \$26.1 million represents reserved fund balance (legal restrictions on spending and resources not available for spending) and \$118.4 million represents unreserved fund balance (resources available for spending at the County's discretion).
- Unreserved fund balance for the General Fund was \$38.8 million, as of November 30, 2008, compared to \$42.5 million as of November 30, 2007, which represents a decrease of \$3.7 million or 8.7%. The unreserved fund balance represents 49.2% of total General Fund expenditures of \$78.8 million for the fiscal year ended November 30, 2008.
- Governmental activities long-term obligations (excluding compensated absences, deferred debt certificate issuance premiums, and claims and judgments) totaled \$77.0 million, as of November 30, 2008, compared to \$82.8 million as of November 30, 2007, which represents a decrease of \$5.8 million or 7.0%. During the year, capital leases were issued in the amount of \$2.0 million for the purchase of computer hardware and related technology improvements. Business-type activities long-term obligations (excluding compensated absences) totaled \$11.1 million as of November 30, 2008, compared to \$11.6 million as of November 30, 2007, which represents a decrease of \$0.5 million or 4.3%. The County is \$241.6 million below its authorized debt limit as of November 30, 2008.

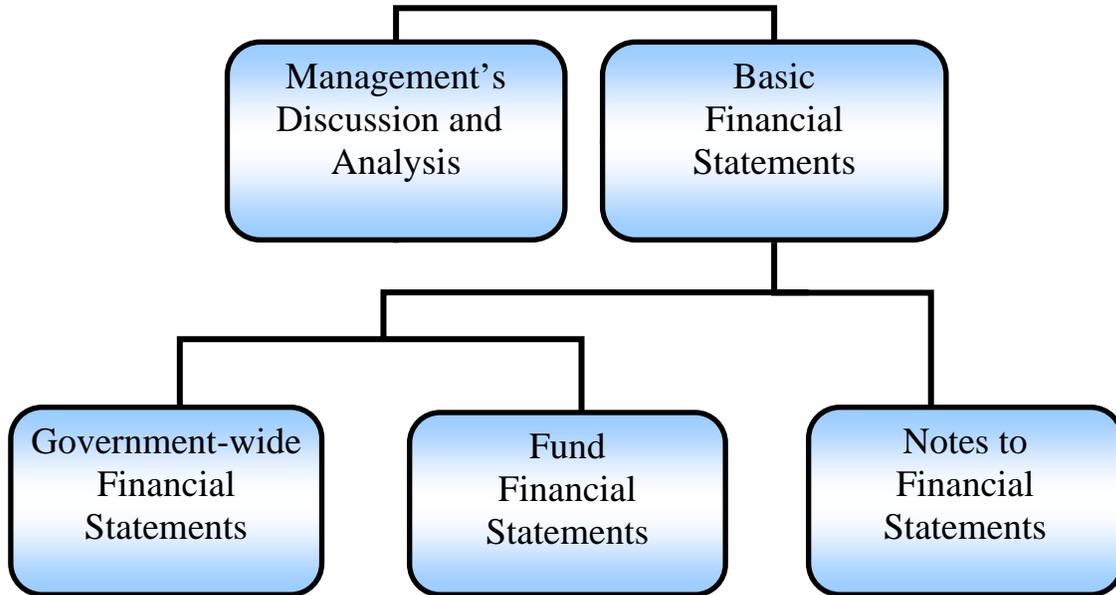
OVERVIEW OF THE FINANCIAL STATEMENTS

This section of MD&A is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to financial statements (see figure on following page). The basic financial statements present two different views of the County through the use of government-wide financial statements and fund financial statements.

In addition to the basic financial statements, this report contains other supplementary information that will enhance the reader's understanding of the financial position of the County.

County of McHenry, Illinois
Management's Discussion and Analysis (MD&A)
For the Year Ended November 30, 2008

Required Components of the Comprehensive Annual Financial Report



Basic Financial Statements (BFS)

The **BFS** include two kinds of statements and notes that present different perspectives of the County's financial activities.

The first two statements in the basic financial statements are the **Government-wide Financial Statements**. They provide both short and long-term information about the County's overall financial status, in a manner similar to a private-sector business.

The next statements are the **Fund Financial Statements**. These statements focus on the activities of the individual parts of the County's government and provide more detail than the government-wide financial statements. There are three parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the proprietary fund statements; and 3) the fiduciary fund statements.

The next section of the basic financial statements is the **Notes to Financial Statements**. The notes to financial statements include a summary of the County's significant accounting policies, as well as additional detail on various items contained in the financial statements.

After the notes are the following sections: **Required supplementary information** contains the budgetary comparison schedules for the general fund and major special revenue funds, as well as funding information about the County's pension plans. **Supplementary information** is provided to show details about the County's individual non-major governmental funds and internal service funds, all of which are aggregated in a single column on the basic financial statements. Budgetary information required by the General Statutes also can be found in this part of the comprehensive annual financial report. The **Statistical Section** presents detailed information as a context for understanding what the information in the financial statements, notes to financial statements, and required supplementary information indicate about the County's overall financial health.

County of McHenry, Illinois
Management's Discussion and Analysis (MD&A)
For the Year Ended November 30, 2008

Government-wide Financial Statements (GWFS)

The GWFS are divided into three categories: 1) governmental activities; 2) business-type activities; and 3) component units. The GWFS contains the *statement of net assets* and the *statement of activities*, described below:

The *Statement of Net Assets* presents information using the accrual basis of accounting, on all of the County's assets and liabilities (including capital assets and short-term and long-term liabilities), with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The *Statement of Activities* presents a comparison between direct expenses and program revenues for each of the County's functions/programs (hereafter referred to as activities). Direct expenses are those that are specifically associated with an activity and are clearly identified with that activity. Program revenues are from charges for services paid by recipients or operating/capital grants and contributions. The comparison of direct expenses with program revenues identifies the extent to which each activity is self-financing or draws from the general revenues of the County. General revenues include property taxes, sales taxes, state income taxes, tax transfer stamps, other taxes, and investment income. The governmental activities of the County include general and administrative, community development, transportation, public safety, judiciary and court related, and public health and welfare. The business-type activities of the County include the Valley Hi Nursing Home (public health and welfare) and the Emergency Telephone 911 operation (public safety). The government-wide financial statements also include legally separate component units – the Public Building Commission (a blended component unit) for which the County is financially accountable and the McHenry County Conservation District (a discretely presented component unit). Financial information for the discretely presented component unit is reported separately from financial information presented for the primary government itself.

The GWFS can be found on pages 1 - 4 of this report.

Fund Financial Statements (FFS)

A fund is a fiscal and accounting entity that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental FFS are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the County's basic services are accounted for in governmental funds. These funds focus on how assets can be readily converted into cash, and what funds remain at year-end that will be available to expend in the next fiscal year. Governmental funds are reported using an accounting method called *modified accrual accounting*. This method has a current financial resources focus. As a result, the governmental fund financial statements give a detailed short-term view to assist the reader in determining if there are more or less financial resources available to finance the County's programs. The relationship between governmental activities (reported in the *Statement of Net Assets* and the *Statement of Activities*) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

County of McHenry, Illinois
Management's Discussion and Analysis (MD&A)
For the Year Ended November 30, 2008

Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for funds that are considered to be major funds. Governmental funds considered to be major for fiscal year 2008 are the General Fund, the Motor Fuel Tax Fund, and the County Mental Health Fund. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the supplementary information section.

The governmental FFS can be found on pages 5 - 8 of this report.

Proprietary FFS The County maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for the Valley Hi nursing home and for the Emergency Telephone 911 system operation. Internal service funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for risk management, employee healthcare, and retiree healthcare benefits. Services are allocated to governmental activities and business-type activities on the government-wide financial statements based upon the actual level of services provided to these activities.

Proprietary FFS provide more detailed information than the business-type activities on the government-wide financial statements. The proprietary fund financial statements provide separate information for enterprise funds that are considered to be major funds. The Enterprise fund considered to be major for fiscal year 2008 is the Valley Hi Fund. Data for the other enterprise fund, the E911 Fund, is considered to be nonmajor. Conversely, all internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual data for the internal service funds is provided in the form of combining statements in the supplementary information section.

The proprietary FFS can be found on pages 9 - 13 of this report.

Fiduciary FFS Fiduciary funds are used to account for resources held for the benefit of parties outside the County. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The fiduciary FFS can be found on page 14 of this report.

Notes to Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the GWFS and FFS.

The notes to the financial statements can be found on pages 15 - 52 of this report.

Other information

The County adopts an annual appropriation budget for its general, special revenue, debt service, and capital projects funds. Budgets are adopted on a basis consistent with generally accepted accounting principles and the budgetary comparison schedules are presented using the same format, language, and classifications as the legal budget document.

County of McHenry, Illinois
Management's Discussion and Analysis (MD&A)
For the Year Ended November 30, 2008

The budgetary comparison schedules present four columns: 1) the original budget as adopted by the County Board; 2) the final budget as amended by the County Board; 3) the actual resources, charges to appropriations, and ending balances; and 4) the difference or variance between the final budget and the actual resources and charges.

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information (RSI), which consists of budgetary comparison schedules for the general fund and major special revenue funds, as well as funding information about the County's pension plans. Following the RSI is the supplementary information section, which includes the combining statements, individual fund schedules, and budgetary comparison schedules for non-major governmental funds.

The RSI and supplementary information section can be found on pages 53 - 158 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of whether the financial position of the County is improving or deteriorating.

Total assets of the County exceeded its liabilities by \$351.4 million, as of November 30, 2008, as compared to net assets of \$324.0 million as of November 30, 2007; an increase of \$27.4 million or 8.5%. Of this amount, \$190.7 million represents net assets invested in capital assets, net of related debt. The County uses capital assets to provide services to citizens; consequently, these assets are not available for future spending. \$94.8 million represents restricted net assets, which are resources that are subject to external restrictions on how they may be used. Finally, \$65.9 million represents unrestricted net assets. \$324.5 million represents net assets for governmental activities and \$26.9 million represents net assets for business-type activities.

The following table reflects the condensed Statement of Net Assets as of November 30, 2008:

**Statement of Net Assets
November 30, 2008**

	Governmental Activities		Business-Type Activities		Totals	
	2008	2007	2008	2007	2008	2007
Assets						
Current and other assets	\$ 250,957,639	\$ 254,710,260	\$ 29,771,487	\$ 24,353,150	\$ 280,729,126	\$ 279,063,410
Capital assets	245,986,017	215,651,055	15,629,314	16,066,583	261,615,331	231,717,638
Total assets	<u>496,943,656</u>	<u>470,361,315</u>	<u>45,400,801</u>	<u>40,419,733</u>	<u>542,344,457</u>	<u>510,781,048</u>
Liabilities						
Current liabilities	94,543,370	86,231,243	7,869,615	7,263,617	102,412,985	93,494,860
Noncurrent liabilities	77,883,552	82,107,957	10,649,098	11,216,439	88,532,650	93,324,396
Total liabilities	<u>172,426,922</u>	<u>168,339,200</u>	<u>18,518,713</u>	<u>18,480,056</u>	<u>190,945,635</u>	<u>186,819,256</u>
Net Assets						
Invested in capital assets, net of related debt	186,108,100	168,077,235	4,568,317	4,531,583	190,676,417	172,608,818
Restricted	94,814,206	83,884,874	41,191	411,176	94,855,397	84,296,050
Unrestricted	43,594,428	50,060,006	22,272,580	16,996,918	65,867,008	67,056,924
Total net assets	<u>\$ 324,516,734</u>	<u>\$ 302,022,115</u>	<u>\$ 26,882,088</u>	<u>\$ 21,939,677</u>	<u>\$ 351,398,822</u>	<u>\$ 323,961,792</u>

County of McHenry, Illinois
Management's Discussion and Analysis (MD&A)
For the Year Ended November 30, 2008

For more detailed information on the County's net assets, please refer to the Statement of Net Assets, found on pages 1 - 2.

The following table reflects the results of operations for governmental and business-type activities for the fiscal year ended November 30, 2008:

Changes in Net Assets
For the Fiscal Year Ended November 30, 2008

	Governmental Activities		Business-Type Activities		Totals	
	2008	2007	2008	2007	2008	2007
Revenues						
Program Revenues						
Charges for services	\$ 29,884,476	\$ 29,036,555	\$ 10,013,922	\$ 8,912,042	\$ 39,898,398	\$ 37,948,597
Operating grants and contributions	22,656,506	23,600,690	-	-	22,656,506	23,600,690
Capital grants and contributions	5,141,148	3,800,048	-	-	5,141,148	3,800,048
General Revenues						
Property taxes	63,395,685	60,175,903	5,932,935	5,998,876	69,328,620	66,174,779
Sales taxes	15,003,386	9,533,202	-	-	15,003,386	9,533,202
State income taxes	6,214,390	5,875,908	-	-	6,214,390	5,875,908
Tax transfer stamps	1,968,253	3,264,738	-	-	1,968,253	3,264,738
Other taxes	2,173,857	1,804,030	-	-	2,173,857	1,804,030
Investment income	4,577,645	6,713,449	547,973	745,846	5,125,618	7,459,295
Gain on sale of capital assets	-	71,889	-	-	-	71,889
Miscellaneous	357,931	610,444	-	-	357,931	610,444
Transfers	-	831,233	-	(831,233)	-	-
Total Revenues	<u>151,373,277</u>	<u>145,318,089</u>	<u>16,494,830</u>	<u>14,825,531</u>	<u>167,868,107</u>	<u>160,143,620</u>
Expenses						
General and administrative	36,269,025	28,649,900	-	-	36,269,025	28,649,900
Community development	2,169,597	3,449,524	-	-	2,169,597	3,449,524
Transportation	13,292,664	12,260,312	-	-	13,292,664	12,260,312
Public safety	33,132,115	30,956,789	2,011,399	1,979,992	35,143,514	32,936,781
Judiciary and court related	13,518,255	12,829,189	-	-	13,518,255	12,829,189
Public health and welfare	27,184,973	24,368,771	9,541,020	9,737,659	36,725,993	34,106,430
Interest and fiscal charges	3,312,029	2,149,414	-	-	3,312,029	2,149,414
Total expenses	<u>128,878,658</u>	<u>114,663,899</u>	<u>11,552,419</u>	<u>11,717,651</u>	<u>140,431,077</u>	<u>126,381,550</u>
Changes in net assets	22,494,619	30,654,190	4,942,411	3,107,880	27,437,030	33,762,070
Net assets at beginning year	<u>302,022,115</u>	<u>271,367,925</u>	<u>21,939,677</u>	<u>18,831,797</u>	<u>323,961,792</u>	<u>290,199,722</u>
Net assets at end of year	<u>\$ 324,516,734</u>	<u>\$ 302,022,115</u>	<u>\$ 26,882,088</u>	<u>\$ 21,939,677</u>	<u>\$ 351,398,822</u>	<u>\$ 323,961,792</u>

For more detailed information on the operations of governmental and business-type activities, please refer to the Statement of Activities, found on pages 3 - 4.

Governmental activities:

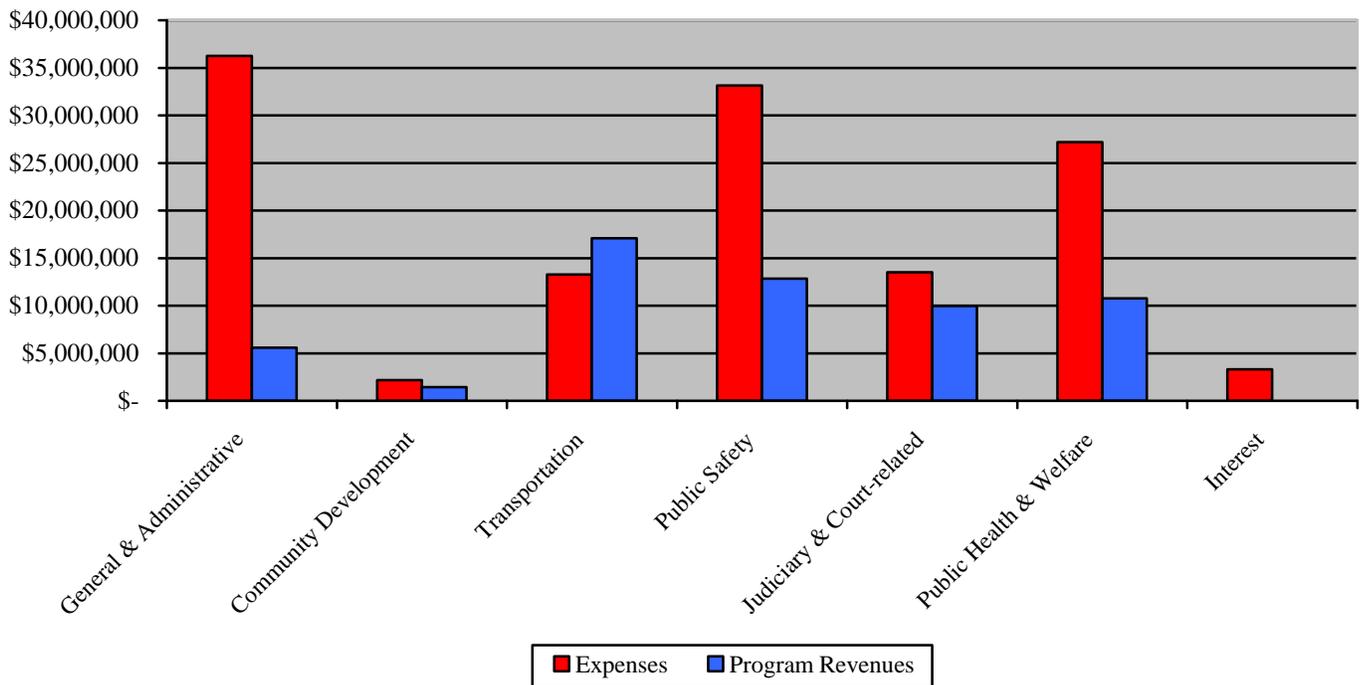
Net assets for governmental activities increased by \$22.5 million during fiscal year 2008. In total, revenues increased \$6.1 million or 4.2%, from \$145.3 million for fiscal year 2007 to \$151.4 million for fiscal year 2008. Noteworthy changes related to revenues were as follows: 1) Property taxes increased by \$3.2 million or 5.3%, 2) Sales taxes increased by \$5.5 million or 57.9%, and 3) Investment income decreased by \$2.1 million or 31.3%. The reasons for these noteworthy changes are explained as follows:

County of McHenry, Illinois
 Management's Discussion and Analysis (MD&A)
 For the Year Ended November 30, 2008

- The County's total assessed valuation increased to \$10,155,920,376 for fiscal year 2008 from \$9,423,490,174 for fiscal year 2007, with corresponding tax levy rates of .687 and .706, per \$100 of assessed value. The County's total property tax levy for fiscal year 2008 was \$69,497,238 and total collections were \$69,328,620, a collection rate of 99.8%.
- The increase in sales taxes is due to an increase in the sales tax rate that went into effect in April 2008. The County's portion of the increase is 0.25%, which is restricted for use in transportation and public safety programs. The County established the RTA Sales Tax Fund to account for the proceeds of the new sales tax revenue, which totaled \$5.3 million for fiscal year 2008. The County estimates the sales tax increase will provide an additional \$9 million in fiscal year 2009 and annually thereafter.
- Investment income decreased from \$6.7 million for fiscal year 2007 to \$4.6 million for fiscal year 2008; a decrease of \$2.1 million or 31.3%. The principal reason for the decrease in investment income was a steady decrease in interest rates during fiscal year 2008. Since the County's investments consist primarily of certificates of deposit, changes in market interest rates can greatly impact the County's level of investment income. The prime rate averaged 8.1% during fiscal year 2007, compared to 5.3% during fiscal year 2008, which is approximately 34.6% lower. The decrease in investment income is consistent with the decrease in market interest rates.

The following chart depicts the expenses and related program revenues by function for the County's governmental activities for the fiscal year ended November 30, 2008:

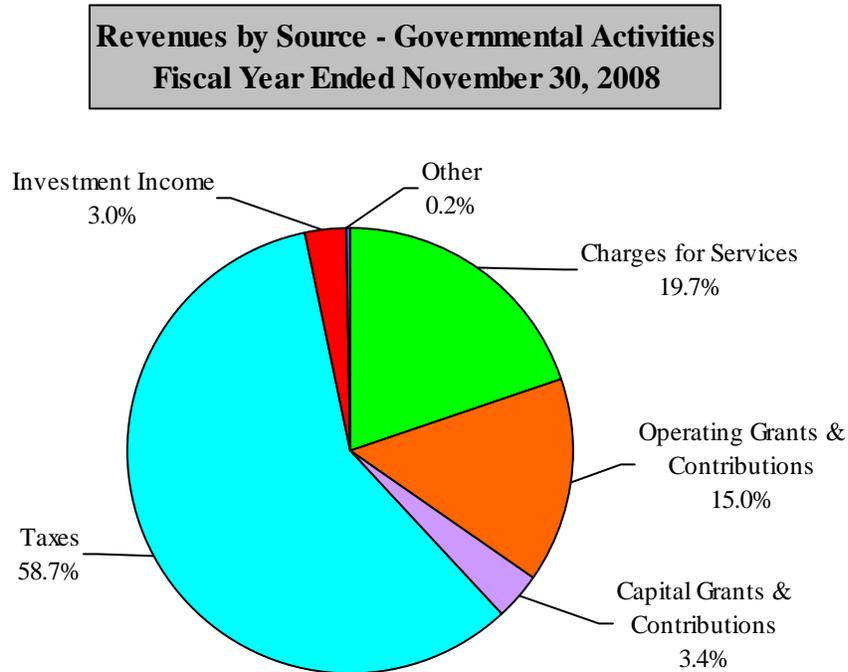
Expenses and Program Revenues - Governmental Activities
Fiscal Year Ended November 30, 2008



See analysis of governmental activities expenses on page XI.

County of McHenry, Illinois
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The following chart reflects revenues by source for governmental activities for the fiscal year ended November 30, 2008:



As previously mentioned, revenues from governmental activities totaled \$151.4 million for the fiscal year ended November 30, 2008. Taxes (\$88.8 million, or 58.7%) represent the largest revenue source. Property taxes and sales taxes represent the two largest sources of tax revenues. Property taxes totaled \$63.4 million or 71.4% of taxes and sales taxes totaled \$15.0 million or 16.9% of taxes, for a combined total of \$78.4 million or 88.3% of taxes. Other tax revenues include state income taxes, tax transfer stamps, and local use taxes.

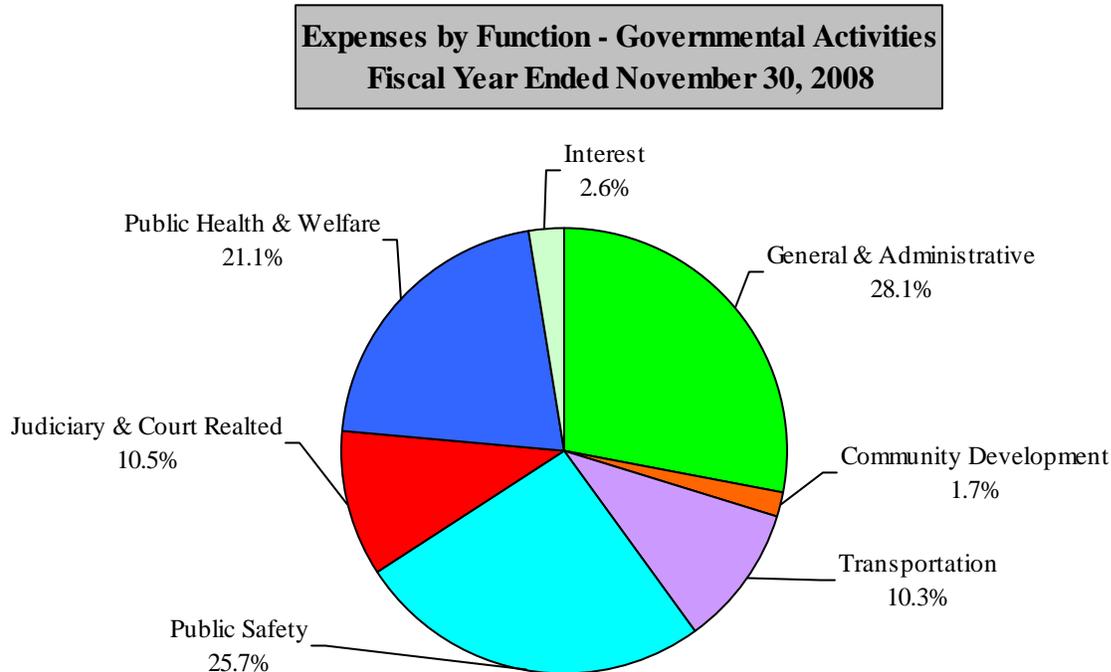
Charges for services (\$29.9 million, or 19.7%) represents the second largest revenue source. Charges for services are derived mainly from recording fees, jail space rental, Circuit Clerk fees, penalties on delinquent taxes, cable franchise fees, court security fees, sale of animal control tags, and various fees collected for automation and document storage within the Recorder's Office and the Clerk of the Circuit Court Office.

Operating grants and contributions (\$22.7 million, or 15.0%) represents the third largest revenue source. Operating grants and contributions consist of grants obtained by the following departments: Health Department, Mental Health Department, Workforce Network, Planning and Development, County Clerk, and the Sheriff's Office. In addition, the Motor Fuel Tax Fund and County Option Motor Fuel Tax Fund receive fees imposed on gasoline purchases to be used for highway maintenance and improvements.

Capital grants and contributions (\$5.1 million, or 3.4%) represent donations of land, highways, and other capital assets, primarily from developers. Significant contributions include \$3.8 million for new access and roadway improvements on Randall Road at Oakridge Court.

County of McHenry, Illinois
Management's Discussion and Analysis (MD&A)
For the Year Ended November 30, 2008

The following chart reflects expenses by function for governmental activities for the fiscal year ended November 30, 2008:



The largest component of governmental activities expenses is general and administrative, which totaled \$36.3 million, or 28.1% of total governmental activities expenses. Expenses in this category include the following activities: County Board and administration, finance, accounting, treasury, purchasing, human resources, information technology, facility operations, elections, vital records, document recording and retrieval, assessments of real estate, and monitoring and administration of schools throughout the County.

The second largest component of governmental activities expenses is public safety, which totaled \$33.1 million, or 25.7% of total governmental activities expenses. Expenses in this category include the operations of the Sheriff, Coroner, and Emergency Management offices. The Sheriff's Office represents the largest component of public safety and activities performed include patrol, detectives, narcotics, County jail, and County garage.

The third largest component of governmental activities expenses is public health and welfare, which totaled \$27.2 million, or 21.1% of total governmental activities expenses. The Health Department and the Mental Health Department represent the largest components of the public health and welfare activity. Also included in this activities are the operations of the Workforce Network and Veteran's Assistance.

The fourth largest component of governmental activities expenses is judiciary and court related, which totaled \$13.5 million, or 10.5% of total governmental activities expenses. Expenses for this activity include the Clerk of the Circuit Court, Court Administration, Court Services, Public Defender, and the State's Attorney.

The fifth largest component of governmental activities expenses is transportation, which totaled \$13.3 million, or 10.3% of total governmental activities expenses. All transportation expenses are managed by the Division of Transportation.

County of McHenry, Illinois
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The sixth largest component of governmental activities expenses is interest, which totaled \$3.3 million, or 2.6% of total governmental activities expenses. Interest represents payments on long-term debt, including debt certificates and capital leases. See page XV for further discussion of long-term debt.

The smallest component of governmental activities expenses is community development, which totaled \$2.2 million, or 1.7% of total governmental activities expenses. All community development expenses are managed by the Planning and Development Department.

Business-type Activities:

For the fiscal year ended November 30, 2008, net assets for business-type activities increased by \$4.9 million, from \$22.0 million at November 30, 2007 to \$26.9 million at November 30, 2008. Total revenues for business-type activities increased \$1.7 million, or 11.5%, from \$14.8 million in fiscal year 2007 to \$16.5 million in fiscal year 2008. The largest component of the increase in revenues is wireless surcharge fees, which increased \$1.0 million, or 76.9%, from \$1.3 million in fiscal year 2007 to \$2.3 million in fiscal year 2008. Wireless surcharges are imposed on all wireless phones registered in the County to fund the County's 911 system. Total expenses for business-type activities decreased \$0.1 million or 0.9%, from \$11.7 million in fiscal year 2007 to \$11.6 million in fiscal year 2008. The consistent level of expenses for business-type activities is due to the fact that there were no major projects or reorganizations in business-type activities during the past two fiscal years.

For more detailed information, please refer to the Statement of Activities on pages 3 – 4.

MAJOR FUNDS FINANCIAL ANALYSIS

Governmental Funds

The General Fund is the primary operating fund of the County. The fund experienced a decrease in fund balance of \$2.1 million in fiscal year 2008. Total revenues increased \$1.4 million or 1.8%, from \$76.7 million for fiscal year 2007 to \$78.1 million for fiscal year 2008. The largest increase in revenue is for property taxes, which increased \$5.4 million or 23.1%, from \$23.4 million for fiscal year 2007 to \$28.8 million for fiscal year 2008. A significant decrease in revenue was experienced for tax transfer stamps, which decreased \$1.3 million or 39.4%, from \$3.3 million for fiscal year 2007 to \$2.0 million for fiscal year 2008. The reason for the decrease in tax transfer stamp revenue is the nation-wide housing market decline and overall economic conditions. Total expenditures increased \$8.8 million or 12.6%, from \$70.0 million for fiscal year 2007 to \$78.8 million for fiscal year 2008. A major reason for the increase in expenditures is capital outlay, which increased \$5.7 million or 196.6%, from \$2.9 million for fiscal year 2007 to \$8.6 million for fiscal year 2008. Significant capital outlays included \$3.8 million for the acquisition for land and buildings, acquired through condemnation, and \$2.0 million for the purchase of computer hardware and related technologies, acquired through capital lease. For additional information, see general fund budgetary variances section below.

The Motor Fuel Tax Fund accounts for expenditures for highway maintenance and construction, which is funded by a tax on vehicle fuel purchases. The fund experienced a decrease in fund balance of \$1.1 million in fiscal year 2008. Total revenues increased \$0.9 million or 13.6%, from \$6.6 million for fiscal year 2007 to \$7.5 million for fiscal year 2008. Total expenditures decreased \$0.2 million or 1.5%, from \$13.0 million for fiscal year 2007 to \$12.8 million for fiscal year 2008. A primary factor for the overall decrease in fund balance is transfers out of \$6.2 million, which is classified as an other financing use. The transfers out were to fund the required debt service payments on the Series 2007B debt certificates. The fund also received transfers in of \$10.4 million, the source of which is also the Series 2007B debt certificates, which were issued to help finance critical highway maintenance and construction projects.

County of McHenry, Illinois
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For the Year Ended November 30, 2008

The County Mental Health Fund accounts for expenditures for administering approved mental health programs. The fund experienced a decrease in fund balance of \$0.2 million in fiscal year 2008. Total revenues increased \$0.6 million or 5.3%, from \$11.3 million for fiscal year 2007 to \$11.9 million for fiscal year 2008. Total expenditures increased \$1.4 million or 15.6%, from \$9.0 million for fiscal year 2007 to \$10.4 million for fiscal year 2008. The fund also experienced an increase in transfers out, which are used provide financial support to other mental health programs primarily supported by grants. Transfers out increased \$0.9 million or 112.5%, from \$0.8 million in fiscal year 2007 to \$1.7 million in fiscal year 2008. The primary reason for the increase in expenditures and transfers out is the support needed by grant-funded mental health programs, which experienced delays in the receipt of grant funding.

Proprietary Funds

The Valley Hi Fund accounts for the activities of the Valley Hi nursing home. The fund experienced an overall increase in net assets of \$3.8 million for fiscal year 2008. However, when considering only the operating revenues and expenses of the fund, the fund experience an operating loss of \$2.2 million for fiscal year 2008, compared to an operating loss of \$2.4 million for fiscal year 2007. The major reason for the overall increase in net assets is nonoperating revenues, specifically property taxes. Property tax revenue was \$5.9 million for fiscal year 2008, which was more than sufficient to offset the operating loss. Therefore, the excess property tax revenue represented an increase to ending net assets. Voters approved a referendum in 2002 authorizing the Valley Hi fund to levy property taxes.

GENERAL FUND BUDGETARY VARIANCES

Revenue Budget: The revenue budget for the general fund was increased by \$0.6 million during fiscal year 2008, through budget amendments approved by the County Board, from the original budget of \$78.7 million to final budget of \$79.3 million. The most significant increase in budgeted revenues was for grants, contributions, and intergovernmental. The budgeted revenue in this category was amended when County departments received grant awards that were not included in the original budget. The Health Department received additional grant funding of \$0.3 million and the Sheriff's Office received additional grant funding of \$0.2 million during fiscal year 2008.

Appropriation Budget: The appropriation budget for the general fund was increased by \$7.3 million during fiscal year 2008, through emergency appropriations approved by the County Board, from the original budget of \$78.1 million to the final budget of \$85.4 million. The most significant increase to the appropriation budget was for capital outlay, which increased by \$5.9 million, from the original budget of \$3.7 million to the final budget of \$9.6 million. The most significant capital outlays that were not included in the original budget included \$3.8 million for the acquisition for land and buildings, which were acquired through condemnation, and \$2.0 million for the purchase of computer hardware and related technologies, which were acquired through capital lease. Another increase to the appropriation budget was \$1.9 million for open encumbrances that rolled from fiscal year 2007 into fiscal year 2008. The amount of the encumbrance roll is equal to the amount of fund balance reserved for encumbrances as of November 30, 2007. Other increases to the appropriation budget include adjustments related to the items noted in the revenue budget section above: Grants in the Health Department for \$0.3 million and grants in the Sheriff's Office for \$0.2 million.

Budget to Actual – Revenue: Total revenues for the general fund were \$78.1 million, while the final budget totaled \$79.3 million, which is a variance of \$1.2 million. One significant revenue source that had actual revenue in excess of budgeted revenues was grants, contributions, and intergovernmental. Actual revenues for grants, contributions, and intergovernmental of \$5.1 million exceeded the budgeted revenues of \$4.2 million, primarily due to the receipt of grant revenues in the Sheriff's Office, for which revenues had been budgeted for in previous fiscal years. Also, the County received vaccines from the State of Illinois in the amount of \$0.4 million, for

County of McHenry, Illinois
Management's Discussion and Analysis (MD&A)
For the Year Ended November 30, 2008

which the County had only budgeted \$0.2 million. One significant revenue source that had budgeted revenues in excess of actual revenue was tax transfer stamps. Budgeted revenues for tax transfer stamps of \$3.4 million exceeded actual revenues of \$2.0 million, primarily due to the nation-wide housing market decline and overall economic conditions.

Budget to Actual – Expenditures: Actual expenditures for the general fund totaled \$78.8 million, while the final budget totaled \$85.4 million, which is a variance of \$6.6 million. The individual activity that had the most significant variance was general and administrative, which had expenditures of \$23.8 million compared to a final budget of \$27.5 million, which is a variance of \$3.7 million. Significant factors related to this variance is health insurance premiums for general fund employees, for which actual expenditures were \$7.7 million, while the final budgeted amount was \$9.0 million, which is a variance of \$1.3 million. Because the County is self-insured for health insurance claims, the budget is based on an estimate of prior years' experiences, but actual expenditures in any given year can vary based the actual volume and types of claims filed. Another significant variance was for open positions, for which there was \$1.0 million in unspent budget. Finally, for the purchase of tax transfer stamps from the Illinois Department of Revenue, expenditures totaled \$1.3 million, while the final budget totaled \$1.9 million, which is a variance of \$0.6 million. As stated previously, there was significantly less tax transfer stamp activity due to the nation-wide housing market decline and overall economic conditions.

CAPITAL ASSETS AND LONG-TERM DEBT ACTIVITY

Capital Assets – As of November 30, 2008, capital assets, net of accumulated depreciation, totaled \$246.0 million for governmental activities and \$15.6 million for business-type activities, for a total of \$261.6 million for the County.

Capital Assets
(net of accumulated depreciation)
November 30, 2008

	Governmental Activities		Business-Type Activities		Totals	
	2008	2007	2008	2007	2008	2007
Land	\$ 47,703,895	\$ 42,991,332	\$ 6,000	\$ 6,000	\$ 47,709,895	\$ 42,997,332
Construction in Progress	51,485,830	34,299,688	248,300	-	51,734,130	34,299,688
Buildings and Improvements	64,951,017	62,300,920	12,953,318	13,354,756	77,904,335	75,655,676
Land improvements	-	-	252,256	238,016	252,256	238,016
Furniture and Fixtures	963,267	943,444	-	-	963,267	943,444
Machinery and Equipment	9,507,459	7,488,563	2,169,440	2,467,811	11,676,899	9,956,374
Transportation Equipment	980,727	1,010,283	-	-	980,727	1,010,283
Infrastructure	70,393,822	66,616,825	-	-	70,393,822	66,616,825
Total capital assets	\$ 245,986,017	\$ 215,651,055	\$ 15,629,314	\$ 16,066,583	\$ 261,615,331	\$ 231,717,638

Capital assets, net of accumulated depreciation, for governmental activities increased from \$215.7 million at November 30, 2007 to \$246.0 million at November 30, 2008; a net increase of \$30.3 million, or 14.0%. Capital asset additions totaled \$37.8 million and depreciation expense was \$7.3 million. Significant additions include \$18.3 million for road construction projects, of which \$14.6 million was for the Algonquin Road widening project, from Randall Road to Route 47. Other significant additions include \$5.6 million for developer donated new access and highway improvements, \$3.8 million for the acquisition for land and buildings, \$2.4 million for the integrated justice software development project, and \$1.0 million for the animal control facility project. During fiscal year 2008, the following projects were placed in service and taken out of construction in progress: the animal control facility in the amount of \$3.4 million, high efficiency boilers and upgrades in the government center in the amount of \$1.2 million, and various road projects in the amount of \$1.0 million.

County of McHenry, Illinois
Management's Discussion and Analysis (MD&A)
For the Year Ended November 30, 2008

Capital assets, net of accumulated depreciation, for business-type activities decreased from \$16.1 million at November 30, 2007 to \$15.6 million at November 30, 2008; a net decrease of \$0.5 million, or 3.1%. Capital asset additions totaled \$0.5 million and depreciation expense was \$0.8 million. The most significant capital asset addition is \$0.2 million for a mapping upgrade feature for the 911 system, which is in construction in progress at November 30, 2008.

For more detailed information on the County's capital assets, see Note 5 of the Notes to Financial Statements on pages 31 – 33.

Long-term Debt – As of November 30, 2008, Long-term debt outstanding (excluding compensated absences, deferred debt certificate issuance premiums, and claims and judgments) totaled \$77.0 million for governmental activities and \$11.1 million for business-type activities, for a total of \$88.1 million.

Long-term Debt
November 30, 2008

	Governmental Activities		Business-Type Activities		Totals	
	2008	2007	2008	2007	2008	2007
Capital Leases	\$ 2,410,549	\$ 1,348,872	\$ 25,997	\$ 39,586	\$ 2,436,546	\$ 1,388,458
Debt Certificates	74,637,760	81,460,136	11,035,000	11,535,000	85,672,760	92,995,136
Total long-term debt	\$ 77,048,309	\$ 82,809,008	\$ 11,060,997	\$ 11,574,586	\$ 88,109,306	\$ 94,383,594

Current year debt issuances for governmental activities were as follows: Capital leases in the amount of \$2.0 million were issued for the acquisition of computer hardware and related technology improvements.

There were no current year debt issuance for business-type activities.

Per state statute, the County is limited to issuing debt in an amount not to exceed 2.875% of the assessed value of the taxable property within the County. However, this limitation does not apply to debt issued for the purpose of building a County court house, jail, or other necessary County buildings and for the accommodation thereof. (50 ILCS 405 - Local Government Debt Limitation Act). As of November 30, 2008, the County's debt limit was \$292.0 million, while actual outstanding debt subject to the limit was \$50.4 million. Accordingly, the County was \$241.6 million under the debt limit as of November 30, 2008.

The County's most recent bond rating by Moody's Investors Service was graded Aa1. This high-grade rating reduces the cost of raising capital for County projects, resulting in substantial savings for taxpayers.

For more detailed information on the County's long-term obligations, see Note 6 of the Notes to Financial Statements on pages 34 – 43.

County of McHenry, Illinois
Management's Discussion and Analysis (MD&A)
For the Year Ended November 30, 2008

OTHER MATTERS

The following event occurred subsequent to year-end:

In December 2008, the County issued \$4,480,000 in debt certificates to finance the acquisition of land and buildings, which are being acquired through condemnation and purchase. The debt certificates are due in annual installments, interest at 3.0% to 4.0%, through January 2019.

ECONOMIC FACTORS

The major fund financial analysis and the government-wide financial analysis presented earlier in MD&A provide valuable insights into whether the County's near-term and overall financial position has improved or deteriorated. However, there is an even broader context that is necessary for a comprehensive evaluation of the County's financial health. Because the County doesn't exist in a vacuum, many different economic conditions and circumstances will ultimately affect the County's future financial position. Considering major economic factors can provide context for interpreting current financial information, as well as provide a basis for assessing the likelihood that the County's current financial position will improve or deteriorate in the future.

One key factor that affects the County's operating results is population growth. The County's population has increased steadily from 183,241 in 1990, to 260,077 in 2000, and to 318,641 in 2008. A growing population requires the County to expand its operations, in order to provide essential services to the citizens of the County. Accordingly, the number of County full-time equivalent employees has increased steadily as well, from 877 in 2000 to 1,226 in 2008.

For more detailed statistical information, see the statistical section on pages 159 – 181.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the County of McHenry, Illinois, Auditor's Office, 2200 North Seminary Avenue, Woodstock, Illinois, 60098. This report can also be found on the County Auditor's website at www.co.mchenry.il.us/common/countyDpt/auditor/AudRpts.asp

BASIC FINANCIAL STATEMENTS

County of McHenry, Illinois

STATEMENT OF NET ASSETS

November 30, 2008

(With Comparative Totals - Primary Government for November 30, 2007)

	Primary Government				Component Unit
	Governmental Activities	Business- Type Activities	Totals		
			2008	2007	
ASSETS					
Current					
Cash and equivalents	\$ 160,108,864	\$ 21,372,226	\$ 181,481,090	\$ 189,054,535	\$ 69,353,603
Cash restricted	-	203,234	203,234	411,176	-
Receivables					
Property taxes	69,013,868	6,101,957	75,115,825	70,220,952	17,403,337
Accounts	-	1,589,455	1,589,455	1,611,166	-
Other	2,036,191	1,077,791	3,113,982	2,072,789	258,187
Due from other governments	17,863,125	-	17,863,125	14,381,375	1,371,390
Internal balances	1,014,206	(1,014,206)	-	-	-
Prepaid expenses	-	272,582	272,582	257,557	-
Inventory	615,414	-	615,414	527,881	-
Total current assets	<u>250,651,668</u>	<u>29,603,039</u>	<u>280,254,707</u>	<u>278,537,431</u>	<u>88,386,517</u>
Noncurrent					
Capital Assets					
Land	47,703,895	6,000	47,709,895	42,997,332	156,169,559
Construction in progress	51,485,830	248,300	51,734,130	34,299,688	1,962,346
Capital assets, net of depreciation	<u>146,796,292</u>	<u>15,375,014</u>	<u>162,171,306</u>	<u>154,420,618</u>	<u>13,885,744</u>
Net Capital Assets	245,986,017	15,629,314	261,615,331	231,717,638	172,017,649
Deferred charges	<u>305,971</u>	<u>168,448</u>	<u>474,419</u>	<u>525,979</u>	<u>1,105,701</u>
Total noncurrent assets	<u>246,291,988</u>	<u>15,797,762</u>	<u>262,089,750</u>	<u>232,243,617</u>	<u>173,123,350</u>
Total Assets	<u>496,943,656</u>	<u>45,400,801</u>	<u>542,344,457</u>	<u>510,781,048</u>	<u>261,509,867</u>

	Primary Government				Component Unit
	Governmental Activities	Business- Type Activities	Totals		
			2008	2007	
LIABILITIES					
Current					
Accounts payable	\$ 8,948,482	\$ 352,178	\$ 9,300,660	\$ 7,963,668	\$ 193,706
Accrued expenses	3,336,736	267,602	3,604,338	3,717,856	1,530,738
Unearned revenue	68,692,785	6,000,000	74,692,785	70,652,336	17,432,442
Due to grantees	998,970	-	998,970	482,963	-
Other liabilities	338,591	669,781	1,008,372	469,290	-
Current portion of long-term obligations	<u>12,227,806</u>	<u>580,054</u>	<u>12,807,860</u>	<u>10,208,747</u>	<u>3,875,321</u>
Total current liabilities	94,543,370	7,869,615	102,412,985	93,494,860	23,032,207
Noncurrent					
Noncurrent portion of long-term obligations	<u>77,883,552</u>	<u>10,649,098</u>	<u>88,532,650</u>	<u>93,324,396</u>	<u>158,420,538</u>
Total Liabilities	<u>172,426,922</u>	<u>18,518,713</u>	<u>190,945,635</u>	<u>186,819,256</u>	<u>181,452,745</u>
NET ASSETS					
Invested in capital assets, net of related debt	186,108,100	4,568,317	190,676,417	172,608,818	64,417,320
Restricted for					
Grant programs	5,886,147	-	5,886,147	5,831,255	-
Transportation systems	62,795,910	-	62,795,910	49,458,225	-
Public welfare programs	10,630,608	-	10,630,608	10,237,358	-
Employee benefits	10,486,388	-	10,486,388	12,784,503	-
Technology improvements	1,913,130	-	1,913,130	2,204,781	-
Judiciary and court related	2,161,363	-	2,161,363	2,444,768	-
Debt service	2,585	41,191	43,776	466,451	861,791
Tort liability	-	-	-	-	178,819
Working cash - permanently restricted	800,568	-	800,568	800,568	-
Other	137,507	-	137,507	68,141	13,136
Unrestricted	<u>43,594,428</u>	<u>22,272,580</u>	<u>65,867,008</u>	<u>67,056,924</u>	<u>14,586,056</u>
Total Net Assets	<u>\$ 324,516,734</u>	<u>\$ 26,882,088</u>	<u>\$ 351,398,822</u>	<u>\$ 323,961,792</u>	<u>\$ 80,057,122</u>

See accompanying notes to financial statements.

County of McHenry, Illinois

STATEMENT OF ACTIVITIES

For the Year Ended November 30, 2008

(With Comparative Totals - Primary Government for The Year Ended November 30, 2007)

Functions	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities				
General and administrative	\$ 36,269,025	\$ 5,135,160	\$ 451,944	\$ -
Community development	2,169,597	804,410	635,904	-
Transportation	13,292,664	96,965	11,864,954	5,141,148
Public safety	33,132,115	12,064,091	769,095	-
Judiciary and court related	13,518,255	9,745,480	217,072	-
Public health and welfare	27,184,973	2,038,370	8,717,537	-
Interest and fiscal charges	3,312,029	-	-	-
Total Governmental Activities	128,878,658	29,884,476	22,656,506	5,141,148
Business-Type Activities				
Public health and welfare	9,541,020	6,790,327	-	-
Public safety	2,011,399	3,223,595	-	-
Total Business-Type Activities	11,552,419	10,013,922	-	-
Total Primary Government	\$ 140,431,077	\$ 39,898,398	\$ 22,656,506	\$ 5,141,148
Component Unit				
Conservation District	\$ 14,674,844	\$ 535,640	\$ 3,910	\$ 3,569,118
General Revenues				
Taxes				
Property taxes				
Sales taxes				
State income taxes - not restricted to specific programs				
Tax transfer stamps				
Other taxes				
Investment income				
Contributions				
Miscellaneous				
Gain on sale of capital assets				
Total General Revenues				
Change in Net Assets				
Net Assets - Beginning of Year				
Net Assets - End of Year				

See accompanying notes to financial statements.

Net (Expenses) Revenues and Changes in Net Assets Primary Government				
Governmental Activities	Business-Type Activities	Totals		Component Unit
		2008	2007	
\$ (30,681,921)	\$ -	\$ (30,681,921)	\$ (22,853,556)	\$ -
(729,283)	-	(729,283)	(319,301)	-
3,810,403	-	3,810,403	4,211,370	-
(20,298,929)	-	(20,298,929)	(19,699,870)	-
(3,555,703)	-	(3,555,703)	(3,036,170)	-
(16,429,066)	-	(16,429,066)	(14,379,665)	-
<u>(3,312,029)</u>	<u>-</u>	<u>(3,312,029)</u>	<u>(2,149,414)</u>	<u>-</u>
<u>(71,196,528)</u>	<u>-</u>	<u>(71,196,528)</u>	<u>(58,226,606)</u>	<u>-</u>
-	(2,750,693)	(2,750,693)	(3,035,543)	-
<u>-</u>	<u>1,212,196</u>	<u>1,212,196</u>	<u>229,934</u>	<u>-</u>
<u>-</u>	<u>(1,538,497)</u>	<u>(1,538,497)</u>	<u>(2,805,609)</u>	<u>-</u>
<u>(71,196,528)</u>	<u>(1,538,497)</u>	<u>(72,735,025)</u>	<u>(61,032,215)</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(10,566,176)</u>
63,395,685	5,932,935	69,328,620	66,174,779	13,351,739
15,003,386	-	15,003,386	9,533,202	-
6,214,390	-	6,214,390	5,875,908	-
1,968,253	-	1,968,253	3,264,738	-
2,173,857	-	2,173,857	1,804,030	212,089
4,577,645	547,973	5,125,618	7,459,295	3,014,368
-	-	-	-	596,209
357,931	-	357,931	610,444	102,485
<u>-</u>	<u>-</u>	<u>-</u>	<u>71,889</u>	<u>1,581</u>
<u>93,691,147</u>	<u>6,480,908</u>	<u>100,172,055</u>	<u>94,794,285</u>	<u>17,278,471</u>
22,494,619	4,942,411	27,437,030	33,762,070	6,712,295
<u>302,022,115</u>	<u>21,939,677</u>	<u>323,961,792</u>	<u>290,199,722</u>	<u>73,344,827</u>
<u>\$ 324,516,734</u>	<u>\$ 26,882,088</u>	<u>\$ 351,398,822</u>	<u>\$ 323,961,792</u>	<u>\$ 80,057,122</u>

County of McHenry, Illinois

BALANCE SHEET

GOVERNMENTAL FUNDS

November 30, 2008

	General Fund	Motor Fuel Tax Fund	County Mental Health Fund	Other Governmental Funds	Totals
ASSETS					
Cash and equivalents	\$ 39,628,874	\$ 23,319,526	\$ 6,673,444	\$ 77,334,161	\$ 146,956,005
Property taxes receivable	32,074,182	-	12,442,955	20,420,263	64,937,400
Other receivables	390,409	195,776	427,629	813,527	1,827,341
Due from other governments	8,658,297	1,252,743	-	7,952,085	17,863,125
Due from other funds	78,730	-	22,914	23,947	125,591
Inventory	266,091	313,711	2,900	32,712	615,414
Advance to other funds	2,524,776	-	-	-	2,524,776
Total Assets	\$ 83,621,359	\$ 25,081,756	\$ 19,569,842	\$ 106,576,695	\$ 234,849,652
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 1,970,213	\$ 2,624,249	\$ 1,118,028	\$ 3,204,642	\$ 8,917,132
Accrued payroll	868,287	-	24,852	993,999	1,887,138
Deferred revenues	35,943,868	776,549	12,244,416	25,644,060	74,608,893
Due to other funds	755,574	-	25,202	336,610	1,117,386
Advance from other funds	-	-	-	2,524,776	2,524,776
Due to grantees	-	-	-	998,970	998,970
Other liabilities	338,591	-	-	-	338,591
Total Liabilities	39,876,533	3,400,798	13,412,498	33,703,057	90,392,886
Fund Balances					
Reserved for					
Encumbrances	1,039,125	6,969,630	-	11,614,244	19,622,999
Inventory	266,091	313,711	2,900	32,712	615,414
Non-current receivables	2,524,776	-	234,057	691,597	3,450,430
Grant programs	529,119	-	-	410,963	940,082
Sheriff's Office	111,312	-	-	-	111,312
State's Attorney	14,651	-	-	-	14,651
Mental Health Court	411,613	-	-	-	411,613
Debt service	-	-	-	87,630	87,630
Working cash	-	-	-	800,568	800,568
Unreserved					
Designated for subsequent year's expenditures	505,637	-	-	-	505,637
Undesignated, reported in					
General fund	38,342,502	-	-	-	38,342,502
Special revenue funds	-	14,397,617	5,920,387	45,894,652	66,212,656
Capital project funds	-	-	-	13,341,272	13,341,272
Total Fund Balances	43,744,826	21,680,958	6,157,344	72,873,638	144,456,766
Total Liabilities and Fund Balances	\$ 83,621,359	\$ 25,081,756	\$ 19,569,842	\$ 106,576,695	\$ 234,849,652

See accompanying notes to financial statements.

County of McHenry, Illinois
RECONCILIATION OF BALANCE SHEET- GOVERNMENTAL FUNDS
TO STATEMENT OF NET ASSETS
November 30, 2008

Total Fund Balances - Governmental Funds	\$ 144,456,766
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the governmental funds.	245,986,017
Revenues in the Statement of Activities that do not provide current financial resources are deferred in the governmental funds.	9,916,108
Issuance costs, premiums, and discounts associated with the issuance of long-term debt represent expenditures or other financing sources (uses) in governmental funds in the year that the debt is issued. In the Statement of Net Assets, these costs are deferred and amortized over the life of the debt. This is the amount of unamortized issuance costs, premiums, and discounts included in governmental activities in the Statement of Net Assets.	187,674
Internal service funds are used by management to charge insurance costs to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the Statement of Net Assets.	6,566,385
Some liabilities reported in the Statement of Net Assets do not require the use of current financial resources and, therefore, are not reported as liabilities in governmental funds. These activities consist of:	
Accrued interest	(1,234,089)
Compensated absences	(4,313,818)
Capital leases	(2,410,549)
Debt certificates	<u>(74,637,760)</u>
Total Net Assets - Governmental Activities	<u>\$ 324,516,734</u>

See accompanying notes to financial statements.

County of McHenry, Illinois
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS
For the Year Ended November 30, 2008

	General Fund	Motor Fuel Tax Fund	County Mental Health Fund	Other Governmental Funds	Totals
REVENUES					
Charges for services	\$ 20,560,008	\$ -	\$ -	\$ 3,978,483	\$ 24,538,491
Licenses and permits	1,334,225	-	-	88,061	1,422,286
Fines and forfeitures	1,511,998	-	-	22,688	1,534,686
Grants, contributions, and intergovernmental	5,050,758	6,847,091	192,862	10,508,643	22,599,354
Property taxes	28,756,610	-	11,553,060	18,636,296	58,945,966
Sales taxes	9,139,101	-	-	5,253,285	14,392,386
State income taxes	6,214,390	-	-	-	6,214,390
Tax transfer stamps	1,968,253	-	-	-	1,968,253
Other taxes	2,028,972	-	-	144,885	2,173,857
Investment income	1,416,772	608,205	121,128	2,504,755	4,650,860
Miscellaneous	122,461	-	3,350	238,582	364,393
Total Revenues	78,103,548	7,455,296	11,870,400	41,375,678	138,804,922
EXPENDITURES					
Current					
General and administrative	23,785,137	-	-	2,587,933	26,373,070
Community development	1,273,552	-	-	890,387	2,163,939
Transportation	-	4,368,732	-	9,568,847	13,937,579
Public safety	27,649,405	-	-	3,845,707	31,495,112
Judiciary and court related	10,180,033	-	-	5,611,460	15,791,493
Public health and welfare	6,361,968	-	10,411,992	10,415,332	27,189,292
Capital outlay	8,626,176	8,382,543	15,656	10,320,530	27,344,905
Debt service					
Principal retirement	919,469	-	-	6,879,457	7,798,926
Interest and fiscal charges	52,298	-	-	3,455,610	3,507,908
Total Expenditures	78,848,038	12,751,275	10,427,648	53,575,263	155,602,224
Excess (deficiency) of revenues over expenditures	(744,490)	(5,295,979)	1,442,752	(12,199,585)	(16,797,302)
OTHER FINANCING SOURCES (USES)					
Transfers in	34,219	10,372,735	-	21,264,783	31,671,737
Transfers out	(3,311,332)	(6,199,882)	(1,656,965)	(20,503,558)	(31,671,737)
Capital leases issued	1,872,818	-	-	165,409	2,038,227
Total Other Financing Sources (Uses)	(1,404,295)	4,172,853	(1,656,965)	926,634	2,038,227
Net Change in Fund Balances	(2,148,785)	(1,123,126)	(214,213)	(11,272,951)	(14,759,075)
Fund Balance - Beginning of Year	45,893,611	22,804,084	6,371,557	84,146,589	159,215,841
Fund Balance - End of Year	<u>\$ 43,744,826</u>	<u>\$ 21,680,958</u>	<u>\$ 6,157,344</u>	<u>\$ 72,873,638</u>	<u>\$ 144,456,766</u>

See accompanying notes to financial statements.

County of McHenry, Illinois
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
TO STATEMENT OF ACTIVITIES
For the Year Ended November 30, 2008

Net Change in Fund Balances - Governmental Funds \$ (14,759,075)

Amounts reported for governmental activities in the Statement of Activities are different because:

Capital outlay is reported as an expenditure in the fund financial statements, but is capitalized in the government-wide financial statements.	27,344,905
Some items reported as capital outlay are not capitalized in the government-wide financial statements.	(1,186,608)
Some items that are capitalized are reported as functional expenses in the fund financial statements.	6,407,898
Some items that are capitalized represent contributed assets.	5,141,148
Depreciation is reported in the government-wide financial statements.	(7,347,506)
In the government-wide financial statements, the loss on disposal of capital assets is affected by the remaining net book value of disposed assets.	(24,875)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds (or were reported in the prior year), as follows:

Charges for services	2,389,013
Operating grants and contributions	414,513
Sales taxes	611,000
Investment income	(110,054)

Internal service funds are used by management to charge insurance costs to individual funds. (1,656,995)

Repayment of principal is an expenditure in the governmental funds, but reduces long-term liabilities in the Statement of Net Assets. 7,798,926

Debt issued is an other financing source in the governmental funds, but is recorded as a liability in the Statement of Net Assets. (2,038,227)

Governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. (19,596)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:

Increase in compensated absences	(651,963)
Decrease in accrued interest	182,115

Change in Net Assets - Governmental Activities	\$ <u><u>22,494,619</u></u>
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See accompanying notes to financial statements.

County of McHenry, Illinois
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
November 30, 2008

	Major Enterprise Fund <u>Valley Hi</u>	Nonmajor Enterprise Fund <u>911 Fund</u>	<u>Totals</u>	Internal Service Funds <u></u>
ASSETS				
Current Assets				
Cash and equivalents	\$ 17,913,152	\$ 3,459,074	\$ 21,372,226	\$ 13,152,859
Cash and equivalents - restricted	203,234	-	203,234	-
Property taxes receivable	6,101,957	-	6,101,957	4,076,468
Accounts receivable	1,589,455	-	1,589,455	-
Other receivables	49,730	1,028,061	1,077,791	208,850
Due from other funds	-	8,688	8,688	1,147,260
Prepaid expenses	-	272,582	272,582	-
Total Current Assets	<u>25,857,528</u>	<u>4,768,405</u>	<u>30,625,933</u>	<u>18,585,437</u>
Noncurrent Assets				
Capital Assets				
Land	6,000	-	6,000	-
Construction in progress	-	248,300	248,300	-
Buildings and improvements	14,529,570	-	14,529,570	-
Land improvements	277,996	-	277,996	-
Equipment	818,448	3,904,884	4,723,332	-
Less: accumulated depreciation	<u>(1,869,945)</u>	<u>(2,285,939)</u>	<u>(4,155,884)</u>	<u>-</u>
Net Capital Assets	13,762,069	1,867,245	15,629,314	-
Deferred charges	<u>168,448</u>	<u>-</u>	<u>168,448</u>	<u>-</u>
Total Noncurrent Assets	<u>13,930,517</u>	<u>1,867,245</u>	<u>15,797,762</u>	<u>-</u>
Total Assets	<u>\$ 39,788,045</u>	<u>\$ 6,635,650</u>	<u>\$ 46,423,695</u>	<u>\$ 18,585,437</u>

	Major Enterprise Fund <u>Valley Hi</u>	Nonmajor Enterprise Fund <u>911 Fund</u>	<u>Totals</u>	Internal Service Funds <u>Funds</u>
LIABILITIES				
Current Liabilities				
Accounts payable	\$ 317,081	\$ 35,097	\$ 352,178	\$ 31,350
Accrued payroll	101,241	4,318	105,559	15,509
Unearned revenue	6,000,000	-	6,000,000	4,000,000
Interest payable	162,043	-	162,043	-
Due to other funds	154,717	3,131	157,848	6,305
Other liabilities	669,781	-	669,781	200,000
Compensated absences	49,903	6,148	56,051	4,466
Claims and judgments	-	-	-	2,837,127
Capital leases payable	14,003	-	14,003	-
Debt certificates payable	510,000	-	510,000	-
	<u>7,978,769</u>	<u>48,694</u>	<u>8,027,463</u>	<u>7,094,757</u>
Total Current Liabilities				
Noncurrent Liabilities				
Compensated absences	99,807	12,297	112,104	8,932
Claims and judgments	-	-	-	5,780,409
Capital leases payable	11,994	-	11,994	-
Debt certificates payable	10,525,000	-	10,525,000	-
	<u>10,636,801</u>	<u>12,297</u>	<u>10,649,098</u>	<u>5,789,341</u>
	<u>10,636,801</u>	<u>12,297</u>	<u>10,649,098</u>	<u>5,789,341</u>
	<u>18,615,570</u>	<u>60,991</u>	<u>18,676,561</u>	<u>12,884,098</u>
	<u>18,615,570</u>	<u>60,991</u>	<u>18,676,561</u>	<u>12,884,098</u>
Total Liabilities				
NET ASSETS				
Invested in capital assets, net of related debt	2,701,072	1,867,245	4,568,317	-
Restricted for debt service	41,191	-	41,191	-
Unrestricted	18,430,212	4,707,414	23,137,626	5,701,339
	<u>21,172,475</u>	<u>6,574,659</u>	27,747,134	<u>5,701,339</u>
	<u>21,172,475</u>	<u>6,574,659</u>	27,747,134	<u>5,701,339</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			<u>(865,046)</u>	
Net Assets of Business-Type Activities			<u>\$ 26,882,088</u>	

See accompanying notes to financial statements.

County of McHenry, Illinois
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
NET ASSETS - PROPRIETARY FUNDS
For the Year Ended November 30, 2008

	Major Enterprise Fund <u>Valley Hi</u>	Nonmajor Enterprise Fund <u>911 Fund</u>	<u>Totals</u>	Internal Service Funds <u></u>
OPERATING REVENUES				
Charges for services	\$ 6,783,926	\$ 3,223,595	\$ 10,007,521	\$ 13,238,863
Insurance recoveries	-	-	-	134,492
Other	<u>6,401</u>	<u>-</u>	<u>6,401</u>	<u>-</u>
Total Operating Revenues	<u>6,790,327</u>	<u>3,223,595</u>	<u>10,013,922</u>	<u>13,373,355</u>
OPERATING EXPENSES				
Personnel services	5,295,462	272,651	5,568,113	838,184
Contractual services	2,361,990	1,353,540	3,715,530	18,743,151
Commodities	801,128	43,226	844,354	6,637
Depreciation	496,866	334,876	831,742	-
Amortization	<u>18,200</u>	<u>-</u>	<u>18,200</u>	<u>-</u>
Total Operating Expenses	<u>8,973,646</u>	<u>2,004,293</u>	<u>10,977,939</u>	<u>19,587,972</u>
Operating Income (Loss)	<u>(2,183,319)</u>	<u>1,219,302</u>	<u>(964,017)</u>	<u>(6,214,617)</u>
NONOPERATING REVENUES (EXPENSES)				
Property taxes	5,932,935	-	5,932,935	4,449,719
Investment income	447,854	100,119	547,973	36,839
Interest expense	(435,380)	-	(435,380)	-
Loss on disposal of capital assets	<u>-</u>	<u>(68,036)</u>	<u>(68,036)</u>	<u>-</u>
Total Nonoperating Revenues (Expenses)	<u>5,945,409</u>	<u>32,083</u>	<u>5,977,492</u>	<u>4,486,558</u>
Net Change in Net Assets	3,762,090	1,251,385	5,013,475	(1,728,059)
Net Assets - Beginning of Year	<u>17,410,385</u>	<u>5,323,274</u>		<u>7,429,398</u>
Net Assets - End of Year	<u>\$ 21,172,475</u>	<u>\$ 6,574,659</u>		<u>\$ 5,701,339</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			<u>(71,064)</u>	
Change in Net Assets of Business-Type Activities			<u>\$ 4,942,411</u>	

See accompanying notes to financial statements.

County of McHenry, Illinois
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended November 30, 2008

	Major Enterprise Fund <u>Valley Hi</u>	Nonmajor Enterprise Fund <u>911 Fund</u>	<u>Totals</u>	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers and users	\$ 7,329,033	\$ 2,711,979	\$ 10,041,012	\$ 13,284,908
Cash received from insurance recoveries	-	-	-	134,492
Payments to employees	(5,355,468)	(268,191)	(5,623,659)	(842,288)
Payments to third party administrator	-	-	-	(13,728,275)
Payments to suppliers	<u>(3,034,545)</u>	<u>(1,444,879)</u>	<u>(4,479,424)</u>	<u>(1,506,578)</u>
Net Cash Flows From Operating Activities	<u>(1,060,980)</u>	<u>998,909</u>	<u>(62,071)</u>	<u>(2,657,741)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Property taxes received	5,831,200	-	5,831,200	4,373,456
Interfund payments	<u>13,482</u>	<u>6,885</u>	<u>20,367</u>	<u>-</u>
Net Cash Flows From Noncapital Financing Activities	<u>5,844,682</u>	<u>6,885</u>	<u>5,851,567</u>	<u>4,373,456</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital assets purchased	(37,829)	(424,680)	(462,509)	-
Principal payments - capital leases	(13,589)	-	(13,589)	-
Principal payments - debt certificates	(500,000)	-	(500,000)	-
Interest paid	<u>(440,068)</u>	<u>-</u>	<u>(440,068)</u>	<u>-</u>
Net Cash Flows From Capital and Related Financing Activities	<u>(991,486)</u>	<u>(424,680)</u>	<u>(1,416,166)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Cash receipts from investment income	<u>426,006</u>	<u>100,119</u>	<u>526,125</u>	<u>36,839</u>
Net Cash Flows From Investing Activities	<u>426,006</u>	<u>100,119</u>	<u>526,125</u>	<u>36,839</u>
Net Change in Cash and Equivalents	4,218,222	681,233	4,899,455	1,752,554
Cash and Equivalents - Beginning of Year	<u>13,898,164</u>	<u>2,777,841</u>	<u>16,676,005</u>	<u>11,400,305</u>
Cash and Equivalents - End of Year	<u>\$ 18,116,386</u>	<u>\$ 3,459,074</u>	<u>\$ 21,575,460</u>	<u>\$ 13,152,859</u>
RECONCILIATION OF CASH AND EQUIVALENTS TO THE STATEMENT OF NET ASSETS - PROPRIETARY FUNDS				
Cash and Equivalents	\$ 17,913,152	\$ 3,459,074	\$ 21,372,226	\$ 13,152,859
Cash and Equivalents - Restricted	<u>203,234</u>	<u>-</u>	<u>203,234</u>	<u>-</u>
Cash and Equivalents - End of Year	<u>\$ 18,116,386</u>	<u>\$ 3,459,074</u>	<u>\$ 21,575,460</u>	<u>\$ 13,152,859</u>

	Major Enterprise Fund <u>Valley Hi</u>	Nonmajor Enterprise Fund <u>911 Fund</u>	<u>Totals</u>	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Operating income (loss)	\$ (2,183,319)	\$ 1,219,302	\$ (964,017)	\$ (6,214,617)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities				
Depreciation	496,866	334,876	831,742	-
Amortization	18,200	-	18,200	-
Change in assets and liabilities				
Accounts receivable	21,711	(511,616)	(489,905)	-
Other receivables	-	-	-	(170,419)
Due from other funds	-	-	-	16,760
Prepaid expenses	-	(15,025)	(15,025)	-
Accounts payable	128,573	(33,088)	95,485	1,995
Accrued payroll	9,457	5	9,462	372
Due to other funds	-	-	-	(296)
Other liabilities	516,995	-	516,995	200,000
Compensated absences	(69,463)	4,455	(65,008)	(4,476)
Claims and judgments	-	-	-	3,512,940
Net Cash Flows From Operating Activities	<u>\$ (1,060,980)</u>	<u>\$ 998,909</u>	<u>\$ (62,071)</u>	<u>\$ (2,657,741)</u>

NON-CASH CAPITAL, INVESTING, AND FINANCING ACTIVITIES:

None

See accompanying notes to financial statements.

County of McHenry, Illinois
STATEMENT OF FIDUCIARY NET ASSETS
AGENCY FUNDS
November 30, 2008

ASSETS	
Cash and equivalents	\$ 10,679,009
Due from other governments	<u>67,306</u>
Total Assets	<u>10,746,315</u>
LIABILITIES	
Accounts payable	311,132
Due to residents	58,012
Bond escrow	3,294,909
Due to other governments	5,736,251
Other liabilities	<u>1,346,011</u>
Total Liabilities	<u>10,746,315</u>
NET ASSETS	<u><u>\$ -</u></u>

See accompanying notes to financial statements.

County of McHenry, Illinois
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November 30, 2008

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County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2008

Note 1 – Summary of Significant Accounting Policies

The accounting policies of the County of McHenry, Illinois (County) conform to accounting principles generally accepted in the United States of America, as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Following is a summary of significant accounting policies:

A. Reporting Entity

The reporting entity consists of the primary government, as well as component units, which are legally separate organizations for which elected officials of the primary government are financially accountable. Financial accountability is defined as:

1. Appointment of a voting majority of the component unit's board, and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government; or
2. Fiscal dependency on the primary government.

A legally separate, tax exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents; (2) the primary government is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization; (3) the economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government.

The accompanying financial statements present the County (the primary government) and its component units. The financial data of the component units are included in the County's reporting entity because of their operational significance or financial relationships with the County. The governing bodies of these component units are appointed by the County Board.

Blended Component Unit

Although the Public Building Commission (Commission) is a legally separate entity from the County, the Commission is blended as if it were part of the County because its sole purpose is to manage the County's building activities. The County Board has the ability to significantly influence operations and the Commission is fiscally dependent on the County. Accordingly, the Commission is included as a blended component unit of the County and is reported as a Debt Service Fund. The Commission has a fiscal year that ends on November 30, the same as the County. Separately audited financial statements for the Commission may be obtained from the Public Building Commission, 2200 N. Seminary Avenue, Woodstock, Illinois, 60098-2367.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2008

Note 1 – Summary of Significant Accounting Policies (Continued)

A. Reporting Entity (Continued)

Discretely Presented Component Unit

The McHenry County Conservation District (District) is a legally separate entity from the County, and the County Board appoints all of the District's Board. The District acquires and maintains land as open space for preservation, education and recreation within McHenry County. The County began approving the District's annual operating budget during fiscal year 2000, in accordance with state statute 70/ILCS 410/13. Accordingly, the County is financially accountable for the District and the District is reported as a discretely presented component unit within the County's report. The District has a fiscal year that ends on March 31. The latest financial statements as reflected in this report are for the year ended March 31, 2008. Separately audited financial statements may be obtained from the McHenry County Conservation District, 18410 U.S. Highway 14, Woodstock, Illinois, 60098.

Related Organizations

Certain organizations have their board members appointed by the County Board. However, the County is not financially accountable for these organizations. Accordingly, these organizations are not part of the financial reporting entity. Such organizations include the following:

Fire Protection Districts	Crystal Lake Drainage District
McHenry County Housing Authority	Hebron Drainage District
Lake in the Hills Sanitary District	Marengo Rescue Squad
Greenwood Drainage District	Human Relations Council

B. Government-Wide and Fund Financial Statements

Government-wide Financial Statements: The government-wide Statement of Net Assets and Statement of Activities report the overall financial activity of the County. Eliminations have been made to minimize the double-counting of internal activities of the County. The financial activities of the County consist of governmental activities, which are primarily supported by taxes and intergovernmental revenues, and business-type activities, which rely to a significant extent on fees and charges for services. Likewise, the primary government is reported separately from the discretely presented component unit.

The Statement of Activities demonstrates the degree to which the direct expenses of each County function (general and administrative, community development, transportation, public safety, judiciary and court related, and public health and welfare) are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. The County does not allocate indirect expenses to the functions in the statement of activities. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs (including fines and fees) and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fiduciary funds are excluded from the government-wide financial statements.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2008

Note 1 – Summary of Significant Accounting Policies (Continued)

B. Government-Wide and Fund Financial Statements (Continued)

Fund Financial Statements: Financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, liabilities, net assets/fund balance, revenues, and expenses/expenditures. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary (agency) funds, even though the latter are excluded from the government-wide financial statements.

Funds are organized as major funds or non-major funds within the governmental and proprietary fund statements. An emphasis is placed on major funds within the governmental and proprietary fund statements. A fund is considered major if it is the primary operating fund of the County or if it meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type, and
- b. The same element of the individual governmental fund or enterprise fund that met the 10 percent test is at least 5 percent of the corresponding total for all governmental and enterprise funds combined.
- c. In addition, any other governmental or enterprise fund that the County believes is particularly important to financial statement users may be reported as a major fund.

The County administers the following major governmental funds:

General Fund – This is the County’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in other funds. Services which are administered by various departments and accounted for in the general fund include general and administrative, community development, public safety, judiciary and court related, and public health and welfare.

Motor Fuel Tax Fund – This fund accounts for allotments received from the State of Illinois and expenditures for highway construction and maintenance.

County Mental Health Fund – This fund accounts for expenditures for administering approved mental health programs. Revenue is primarily from property taxes.

The County administers the following major enterprise fund:

Valley Hi Fund – This fund accounts for the activities of the Valley Hi nursing home.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2008

Note 1 – Summary of Significant Accounting Policies (Continued)

B. Government-Wide and Fund Financial Statements (Continued)

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the County, or to other governmental units, on a cost-reimbursement basis. The County administers the following internal service funds:

Insurance Loss Fund – This fund accounts for general liability, property, worker’s compensation, and unemployment compensation insurance premiums and claims.

Health Insurance Fund – This fund accounts for employee medical, dental, and prescription insurance premiums and claims.

Additionally, the County administers fiduciary (agency) funds for assets held by the County in a trustee capacity or as an agent for individuals, private organizations, and/or other governmental units.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements and the discretely presented component unit. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flow takes place. Agency funds also follow the accrual basis of accounting, but do not have a measurement focus.

Nonexchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include various taxes, State shared revenues, and various State, Federal, and local grants. On an accrual basis, revenues from taxes are recognized when the County has a legal claim to the resources. Grants, entitlements, State shared revenues, and similar items are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been met.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal year.

Significant revenue sources which are susceptible to accrual include property taxes, other taxes, grants, charges for services, and interest. All other revenue sources are considered to be measurable and available only when cash is received.

Expenditures are recorded when the related liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences, and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2008

Note 1 – Summary of Significant Accounting Policies (Continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and enterprise fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. The County has elected not to follow private sector standards issued after November 30, 1989.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with the proprietary funds' principal ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. Cash and Equivalents

For purposes of the statement of cash flows, the County's proprietary funds consider all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

E. Investments

Investments are reported at fair value. Fair value is based on quoted market prices.

F. Inventory

Inventories are valued at cost, using the first-in, first-out method. Inventories are accounted for under the consumption method, whereby acquisitions are recorded in inventory accounts initially and charged as expenditures when used.

G. Restricted Assets

Restricted cash represents resources accumulated for future debt service payments on the Series 2003B debt certificates. The balance of restricted cash totaled \$203,234 as of November 30, 2008.

H. Capital Assets

Capital assets, which include land, land improvements, roads and bridges, traffic signals and lighting projects, buildings and improvements, furniture and fixtures, machinery and equipment, and transportation equipment are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined as assets with an initial, individual cost of more than \$250,000 for infrastructure assets, \$1 for land, \$5,000 for other capital assets, and an estimated useful life of greater than one year. Additions or improvements that significantly extend the useful life of an asset, or that significantly increase the capacity of an asset are capitalized. Expenditures for asset acquisitions and improvements are presented as capital outlay expenditures in the governmental funds.

Assets which are acquired and held for the County's use are stated at historical cost. Donated capital assets are recorded at their fair market value at the date of donation.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2008

Note 1 – Summary of Significant Accounting Policies (Continued)

H. Capital Assets (Continued)

For proprietary funds, interest incurred during the construction phase of capital assets is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period. There was no interest expense capitalized by proprietary funds during 2008.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized.

Depreciation of capital assets is recorded in the Statement of Activities with accumulated depreciation reflected in the statement of net assets and is provided on the straight-line basis over the following estimated useful lives:

	<u>Years</u>
Roads and bridges	40
Traffic signals and lighting projects	10
Buildings and improvements	10 – 40
Land improvements	15 – 40
Furniture and fixtures	5 – 10
Machinery and equipment	5 – 20
Transportation equipment	4 – 5

Gains or losses from sales or retirements of capital assets are included in the Statement of Activities.

I. Deferred Revenue

The County reports deferred revenues on its governmental funds balance sheet. Deferred revenues arise from taxes levied in the current year which are for subsequent year's operations. For governmental fund financial statements, deferred revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received before the County has a legal claim to them, as when grant monies are received before all eligibility requirements imposed by the provider have been met. In subsequent periods, when both revenue recognition criteria are met, or when the County has a legal claim to the resources, the liability for the deferred revenue is removed from the balance sheet and revenue is recognized. Proprietary funds only report deferred revenue for resources that have been received, but not yet earned. Therefore, deferred revenue in proprietary funds is reported as unearned revenue.

J. Compensated Absences

County employees accumulate vacation, sick pay, and compensatory time off for subsequent use or for payment upon termination, death, or retirement. Employees are allowed to accrue up to 150% of their annual vacation accrual, and at no time shall their balance exceed the 150% maximum limit. Employees may not receive vacation pay in lieu of time off unless the department head requests that the employee waive vacation to avoid a hardship on the department. Accrued compensatory time off, earned for hours worked in excess of the employee's regular work schedule, may accumulate up to a maximum of 240 hours, with any excess paid out by the County. Accumulated sick leave is not paid out at termination of employment.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2008

Note 1 – Summary of Significant Accounting Policies (Continued)

J. Compensated Absences (Continued)

The liability for compensated absences reported in the government-wide financial statements consists of unpaid, accumulated vacation leave balances and unused compensatory time balances for County employees and is determined using current salary rates and includes salary related payments.

A liability for compensated absences is reported in the individual governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The General Fund is typically used to liquidate these liabilities. Vested or accumulated vacation leave and accumulated compensatory time of proprietary funds is recorded as an expense and liability of those funds as the benefits accrue to employees.

District (component unit) employees earned vacation pay to a maximum of 30 working days and a percentage (based on length of employment) of sick leave may be paid upon termination of employment.

K. Long-Term Obligations

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental or business-type activities and proprietary fund statement of net assets. Premiums and discounts from long-term debt issuances are deferred and amortized over the life of the issuance using the effective interest method. Issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental funds recognize issuance premiums and discounts, as well as issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

Debt service funds are used to account for and service the long-term obligations issued for governmental funds. Enterprise funds individually account for and service the applicable debt that benefit those funds. Long-term debt is recognized as a liability in a governmental fund when due, or when resources have been accumulated for payment early in the following year. For other long-term obligations, only that portion expected to be financed with available financial resources is reported as a liability of a governmental fund.

L. Capital Contributions

Capital contributions in the government-wide financial statements represent donations of land, highways, and other capital assets, primarily from developers. Capital contributions reported in the enterprise funds, if any, represent transfers of equipment from governmental funds and capital contributions from outside parties.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2008

Note 1 – Summary of Significant Accounting Policies (Continued)

M. Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized in governmental fund types to reserve fund balance for outstanding amounts under purchase orders, contracts, and other commitments. Encumbrances outstanding at year-end are reported as reserved fund balance and do not constitute expenditures or liabilities. Outstanding encumbrances at the end of the fiscal year generally result in an increase to the budget for the subsequent year.

N. Accounting Estimates

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenditures/expenses during the period. Actual results could differ from these estimates.

O. Interfund Transactions

The County has the following types of transactions between funds:

Loans and Advances – amounts provided with a requirement for repayment. In the fund financial statements, interfund loans are reported as due from other funds and due to other funds, when repayment is expected within one year. When repayment is not expected within one year, interfund loans are reported as advances to other funds and advances from other funds. Any residual balances outstanding between the governmental activities and business-type activities are reported as internal balances in the government-wide statement of net assets.

Services provided and used – sales and purchases of goods and services between funds for a price approximating their external exchange value. Interfund services provided and used are reported as revenues in seller funds and expenditures or expenses in purchaser funds. Unpaid amounts are reported as due to/from other funds in the governmental fund balance sheets or proprietary fund statements of net assets.

Reimbursements – repayments from the funds responsible for particular expenditures or expenses to the funds that initially paid for them. Reimbursements are reported as expenditures in the reimbursing fund and as a reduction of expenditures in the reimbursed fund.

Transfers – flows of assets (such as cash or goods) without equivalent flows of assets in return and without a requirement for repayment. In governmental funds, transfers are reported as other financing uses in the funds making transfers and as other financing sources in the funds receiving transfers. In proprietary funds, transfers in/out are reported as nonoperating revenues and expenses. Transfers between governmental activities and business-type activities are presented as offsetting transfers, under general revenues and transfers, in the government-wide statement of activities.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2008

Note 1 – Summary of Significant Accounting Policies (Continued)

P. Claims and Judgments

Claims and judgments that would normally be liquidated with expendable available financial resources are recorded during the year as expenditures in the governmental funds. If they are not to be liquidated with expendable available financial resources, no liability is recognized in the governmental fund statements. The related expenditure is recognized when the liability is liquidated. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred. Refer to Note 10 on risk management.

Q. Equity Classifications

Government-Wide Financial Statements

Equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt – Consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of related bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets – Consists of net assets with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets – All other net assets that do not meet the definition of restricted or invested in capital assets, net of related debt.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

Fund Financial Statements

Governmental funds classify equity as fund balance. Fund balance is further classified as either reserved or unreserved. Unreserved fund balance includes funds set aside by management for specific uses, which is labeled "designated". The remaining balance of unreserved fund balance is labeled "undesignated", which indicates it is available for appropriation. Proprietary fund equity is classified the same as in the government-wide financial statements.

R. Prior Period Information

Comparative total data for the prior year have been presented for the government-wide statements in order to provide an understanding of the changes in the financial position and operations of the County, but not at the level of detail required for a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the County's financial statements for the year ended November 30, 2007. Comparative data by fund has not been presented in all statements, since its inclusion would make the statements unduly complex and difficult to read. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

County of McHenry, Illinois
 NOTES TO FINANCIAL STATEMENTS
November 30, 2008

Note 2 – Legal Compliance – Budgets

The County adheres to the following procedures in establishing the budgetary data reflected in the financial statements:

In October, the County Administrator, Associate County Administrator of Finance, and Finance Committee Chairman submit to the County Board a proposed operating budget for the fiscal year commencing on December 1. The operating budget includes proposed expenditures and the means of financing them.

The operating budget is then posted in the Office of the County Clerk for a period of 15 days for public inspection. Prior to November 30, the budget is adopted by passage of a resolution by the County Board.

Budgetary control over expenditures is maintained on an object code basis (personnel services, contractual, commodities, etc.) by department. Transfers of budgeted amounts between funds or any amendments to the originally approved budget by means of an emergency appropriation require approval by the County Board members. During the year, several emergency appropriations were made. Expenditures may not legally exceed appropriations within each fund. Appropriations lapse at year-end.

Budgets for governmental fund types and internal service funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Enterprise funds are adopted on a modified basis in that depreciation is not budgeted and capital outlay, and debt principal retirements, are budgeted. Budgets are adopted for the General, Special Revenue, Debt Service, Capital Projects, Permanent, Enterprise, and Internal Service Funds.

Excess of Expenditure/Expenses Over Budget

The following fund has an excess of expenditures over budget for the year ended November 30, 2008:

Fund	Excess
Debt Service Fund - Public Building Commission Debt Fund (blended component unit)	\$ (13,704)

Note 3 – Deposits and Investments

A. Primary Government and Fiduciary Funds

Permitted Deposits and Investments - The County's investment policy, which is more restrictive than State Statutes, authorizes the County to make deposits/invest in commercial banks, obligations of the U.S. Treasury or other securities guaranteed by the full faith and credit of the United States of America, savings and loan institutions, and the Illinois Funds Investment Pool.

The County's deposits and investments are categorized to show exposure to applicable risk categories as of November 30, 2008.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2008

Note 3 – Deposits and Investments (Continued)

A. Primary Government and Fiduciary Funds (Continued)

As of November 30, 2008, the County had the following investments:

Investment Type	Fair Value		Weighted Average Maturity (Months)
	Primary Government	Fiduciary Funds	
Illinois Funds	\$ <u>1,446,423</u>	\$ <u>11,685</u>	<u>0.63</u>

Illinois Funds is an investment pool managed by the State of Illinois, Office of the Treasurer. Oversight is provided by the Auditor General of the State of Illinois. Illinois Funds is not registered with the SEC. The fair value of the position in the Pool is the same as the value of the Pool shares.

Interest rate risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the County's investment policy states that the Treasurer shall determine the maturity of investments, so as to enable sufficient cash for all County operating purposes. Investments may be purchased with maturities to match cash flow needs, future projects, or liability requirements.

Credit risk. As stated above, the County's investment policy is more restrictive than State Statutes. In addition, the policy requires the Treasurer to maintain current statements of condition for each financial institution holding County funds to review for any evidence of deterioration. If deterioration is noted, the policy permits the County to withdraw its funds and remove said institutions from the list of approved financial institutions. This policy ensures that the County's investments are only maintained with the most creditworthy issuers. As of November 30, 2008, the County's investment in Illinois Funds was rated AAAM by Standard and Poor's.

Custodial credit risk. As of November 30, 2008, none of the County's investments were exposed to custodial credit risk. The County's investment policy manages custodial credit risk for investments by not permitting any investments that are uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent, but not in the County's name.

As of November 30, 2008, the County (primary government) had deposits with a book balance of \$180,226,801 and a bank balance of \$182,807,138 and the fiduciary funds had deposits with a book balance of \$10,665,724 and a bank balance of \$11,947,884. As of November 30, 2008, none of the above deposits were exposed to custodial credit risk. The County's investment policy manages custodial credit risk for deposits by requiring that all funds in excess of FDIC insurance be secured by collateral held in the County's name.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2008

Note 3 – Deposits and Investments (Continued)

A. Primary Government and Fiduciary Funds (Continued)

A reconciliation of cash and investments as shown on the Statement of Net Assets and the Statement of Fiduciary Net Assets is as follows:

Cash and investments, as disclosed in Note 3:

	Primary Government	Fiduciary Funds
Cash on hand	\$ 11,100	\$ 1,600
Carrying amount of deposits	180,226,801	10,665,724
Carrying amount of investments	1,446,423	11,685
Total cash and investments, as disclosed in Note 3	\$ 181,684,324	\$ 10,679,009

Cash and investments, as reported in the financial statements:

	Primary Government	Fiduciary Funds
Cash and equivalents	\$ 181,481,090	\$ 10,679,009
Cash restricted	203,234	-
Total cash and investments, as reported in the financial statements	\$ 181,684,324	\$ 10,679,009

B. District (Component Unit)

The District's investment policy authorizes the District to invest in obligations issued by the United States Government, investments constituting direct obligations of any bank, short-term commercial paper of U.S. corporations with assets exceeding \$500 million, short-term obligations issued by the Federal National Mortgage Association, shares or other securities issued by saving and loan associations, share accounts of credit unions chartered in the United States with its principal office located in Illinois, and securities issued by Illinois Funds.

Illinois Funds is an investment pool managed by the State of Illinois, Office of the Treasurer, which allows governments within the State to pool their funds for investment purposes. Illinois Funds is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in Illinois Funds are valued at Illinois Fund's share price, which is the price for which the investment could be sold.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2008

Note 3 – Deposits and Investments (Continued)

B. District (Component Unit) (Continued)

It is the policy of the District to invest its funds in a manner consistent which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the District and conforming to all state and local statutes governing the investment of public funds, using the “prudent person” standard for managing the overall portfolio. The primary objectives of the policy, in order of priority are; legality, safety (preservation of capital and protection of investment principal), liquidity, and yield. The Board of Trustee’s policy requires collateralization at 105% of the aggregate balance of principal and accrued interest on deposits in financial institutions.

1. Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the District’s deposits may not be returned to it. The District’s investment policy requires pledging of collateral in the name of the District.

2. Investments

The District had no investments in debt securities as of March 31, 2008. The District’s investment in Illinois Funds at March 31, 2008 totaled \$11,875,422.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the District limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for operating funds and maximizing yields for funds not needed with a budgetary or economic cycle. The investment policy does not strictly limit the maximum maturity lengths of investments.

Credit risk is the risk that the issuer of a debt security will not pay its par value upon maturity. The District limits its exposure to credit risk by primarily investing in Illinois Funds, which is rated AAAM by Standard and Poor’s.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the District will not be able to recover the value of its investment that are in possession of an outside party. Illinois Funds are not subject to custodial credit risk.

Concentration of credit risk is the risk that the District has a high percentage of its investments invested in one type of investment. The District’s investment policy requires diversification of investments to avoid unreasonable risk. At March 31, 2008, the District has greater than five percent of its overall portfolio invested in the Illinois Funds. This is in accordance with the District’s investment policy.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2008

Note 5 – Capital Assets

A summary of changes in capital assets for governmental activities of the County (primary government) is as follows:

	<u>Balance</u> <u>December 1</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>November 30</u>
Governmental Activities				
Capital Assets Not Being Depreciated				
Land	\$ 42,991,332	\$ 4,712,563	\$ -	\$ 47,703,895
Construction in progress	<u>34,299,688</u>	<u>22,300,902</u>	<u>(5,114,760)</u>	<u>51,485,830</u>
Total Capital Assets Not Being Depreciated	<u>77,291,020</u>	<u>27,013,465</u>	<u>(5,114,760)</u>	<u>99,189,725</u>
Other Capital Assets				
Roads and bridges	83,931,860	5,824,018	-	89,755,878
Traffic signals and lighting projects	708,512	232,011	-	940,523
Buildings and improvements	89,435,845	5,079,633	(80,412)	94,435,066
Furniture and fixtures	2,765,841	214,208	-	2,980,049
Machinery and equipment	24,376,588	3,968,026	(1,288,185)	27,056,429
Transportation equipment	<u>4,994,965</u>	<u>490,742</u>	<u>(227,036)</u>	<u>5,258,671</u>
Total Other Capital Assets	<u>206,213,611</u>	<u>15,808,638</u>	<u>(1,595,633)</u>	<u>220,426,616</u>
Less Accumulated Depreciation for:				
Roads and bridges	(17,457,217)	(2,229,980)	-	(19,687,197)
Traffic signals and lighting projects	(566,330)	(49,052)	-	(615,382)
Buildings and improvements	(27,134,925)	(2,404,661)	55,537	(29,484,049)
Furniture and fixtures	(1,822,397)	(194,385)	-	(2,016,782)
Machinery and equipment	(16,888,025)	(1,949,130)	1,288,185	(17,548,970)
Transportation equipment	<u>(3,984,682)</u>	<u>(520,298)</u>	<u>227,036</u>	<u>(4,277,944)</u>
Total Accumulated Depreciation	<u>(67,853,576)</u>	<u>(7,347,506)</u>	<u>1,570,758</u>	<u>(73,630,324)</u>
Other Capital Assets, Net	<u>138,360,035</u>	<u>8,461,132</u>	<u>(24,875)</u>	<u>146,796,292</u>
Governmental Activities Capital Assets, Net	<u>\$ 215,651,055</u>	<u>\$ 35,474,597</u>	<u>\$ (5,139,635)</u>	<u>\$ 245,986,017</u>

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2008

Note 5 – Capital Assets (Continued)

Depreciation expense for governmental activities was charged to functions as follows:

General and administrative	\$	2,948,716
Community development		15,469
Transportation		2,921,553
Public safety		1,043,241
Judiciary and court related		109,613
Public health and welfare		<u>308,914</u>
 Total Depreciation Expense – Governmental Activities	 \$	 <u><u>7,347,506</u></u>

A summary of changes in capital assets for business-type activities of the County (primary government) is as follows:

	<u>Balance</u>		<u>Additions</u>		<u>Deletions</u>		<u>Balance</u>
	<u>December 1</u>						<u>November 30</u>
Business-Type Activities							
Capital Assets Not Being Depreciated							
Land	\$ 6,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,000
Construction in progress	<u>-</u>	<u>248,300</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>248,300</u>
 Total Capital Assets Not Being Depreciated	 <u>6,000</u>	 <u>248,300</u>	 <u>-</u>	 <u>-</u>	 <u>-</u>	 <u>-</u>	 <u>254,300</u>
 Other Capital Assets							
Buildings and improvements	14,529,570	-	-	-	-	-	14,529,570
Land improvements	250,543	27,453	-	-	-	-	277,996
Equipment	<u>4,763,358</u>	<u>186,756</u>	<u>(226,782)</u>	<u>(226,782)</u>	<u>(226,782)</u>	<u>(226,782)</u>	<u>4,723,332</u>
 Total Other Capital Assets	 <u>19,543,471</u>	 <u>214,209</u>	 <u>(226,782)</u>	 <u>(226,782)</u>	 <u>(226,782)</u>	 <u>(226,782)</u>	 <u>19,530,898</u>
 Less Accumulated Depreciation for:							
Buildings and improvements	(1,174,814)	(401,438)	-	-	-	-	(1,576,252)
Land improvements	(12,527)	(13,213)	-	-	-	-	(25,740)
Equipment	<u>(2,295,547)</u>	<u>(417,091)</u>	<u>158,746</u>	<u>158,746</u>	<u>158,746</u>	<u>158,746</u>	<u>(2,553,892)</u>
 Total Accumulated Depreciation	 <u>(3,482,888)</u>	 <u>(831,742)</u>	 <u>158,746</u>	 <u>158,746</u>	 <u>158,746</u>	 <u>158,746</u>	 <u>(4,155,884)</u>
 Other Capital Assets, Net	 <u>16,060,583</u>	 <u>(617,533)</u>	 <u>(68,036)</u>	 <u>(68,036)</u>	 <u>(68,036)</u>	 <u>(68,036)</u>	 <u>15,375,014</u>
 Business-Type Activities Capital Assets, Net	 <u>\$ 16,066,583</u>	 <u>\$ (369,233)</u>	 <u>\$ (68,036)</u>	 <u>\$ (68,036)</u>	 <u>\$ (68,036)</u>	 <u>\$ (68,036)</u>	 <u>\$ 15,629,314</u>

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2008

Note 5 – Capital Assets (Continued)

Depreciation expense for business-type activities was charged to functions as follows:

Public health and welfare	\$	496,866
Public safety		334,876
 Total Depreciation Expense – Business-Type Activities	 \$	 <u>831,742</u>

A summary of changes in capital assets of the District (component unit) is as follows:

	<u>Balance</u> <u>April 1</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>March 31</u>
Governmental Activities				
Capital Assets Not Being Depreciated				
Land	\$ 132,567,039	\$ 23,963,945	\$ (361,425)	\$ 156,169,559
Construction in progress	762,671	2,490,809	(1,291,134)	1,962,346
Total Capital Assets Not Being Depreciated	133,329,710	26,454,754	(1,652,559)	158,131,905
Other Capital Assets				
Land improvements and roads	13,590,239	479,322	-	14,069,561
Buildings and improvements	8,825,006	343,732	-	9,168,738
Furniture and equipment	1,199,795	82,290	(8,476)	1,273,609
Office equipment	115,174	10,485	-	125,659
Vehicles	1,340,821	84,626	-	1,425,447
Total Other Capital Assets	25,071,035	1,000,455	(8,476)	26,063,014
Less accumulated depreciation for:				
Land improvements and roads	(6,232,130)	(614,589)	-	(6,846,719)
Buildings and improvements	(2,831,297)	(368,407)	-	(3,199,704)
Furniture and equipment	(770,372)	(93,912)	8,476	(855,808)
Office equipment	(53,443)	(21,042)	-	(74,485)
Vehicles	(1,101,491)	(99,063)	-	(1,200,554)
Total Accumulated Depreciation	(10,988,733)	(1,197,013)	8,476	(12,177,270)
Other Capital Assets, Net	14,082,302	(196,558)	-	13,885,744
Governmental Activities Capital Assets, Net	\$ 147,412,012	\$ 26,258,196	\$ (1,652,559)	\$ 172,017,649

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2008

Note 6 – Long-Term Obligations

The following is a summary of long-term obligation activity for the County (primary government) associated with governmental activities for the year:

	Balance December 1	Issuances	Retirements	Balance November 30	Due Within One Year
Compensated absences	\$ 3,679,729	\$ 4,251,182	\$ 3,603,695	\$ 4,327,216	\$ 1,442,405
Capital leases	1,348,872	2,038,227	976,550	2,410,549	915,527
Debt certificates	81,460,136	-	6,822,376	74,637,760	7,018,983
Add: deferred debt certificate issuance premiums	132,061	-	13,764	118,297	13,764
Claims and judgments	<u>5,104,596</u>	<u>17,286,810</u>	<u>13,773,870</u>	<u>8,617,536</u>	<u>2,837,127</u>
	<u>\$ 91,725,394</u>	<u>\$ 23,576,219</u>	<u>\$ 25,190,255</u>	<u>\$ 90,111,358</u>	<u>\$ 12,227,806</u>

Compensated absences of governmental activities will be liquidated primarily by the general fund. Claims and judgments will be liquidated by the insurance loss and health insurance internal service funds.

The following is a summary of long-term obligation activities for the County (primary government) associated with business-type activities for the year:

	Balance December 1	Issuances	Retirements	Balance November 30	Due Within One Year
Compensated absences	\$ 233,163	\$ 118,967	\$ 183,975	\$ 168,155	\$ 56,051
Capital leases	39,586	-	13,589	25,997	14,003
Debt certificates	<u>11,535,000</u>	<u>-</u>	<u>500,000</u>	<u>11,035,000</u>	<u>510,000</u>
	<u>\$ 11,807,749</u>	<u>\$ 118,967</u>	<u>\$ 697,564</u>	<u>\$ 11,229,152</u>	<u>\$ 580,054</u>

The following is a summary of long-term obligation transactions for the District (component unit):

	Balance April 1	Issuances	Retirements	Balance March 31	Due Within One Year
Compensated absences	\$ 505,485	\$ 508,023	\$ 505,485	\$ 508,023	\$ 508,023
General obligation bonds	83,275,000	73,000,000	2,935,000	153,340,000	3,285,000
Add: deferred bond issuance premiums	-	2,754,406	88,495	2,665,911	160,092
Less: deferred charge on refunding	(595,985)	-	(77,910)	(518,075)	(77,794)
Installment contract	<u>6,300,000</u>	<u>-</u>	<u>-</u>	<u>6,300,000</u>	<u>-</u>
	<u>\$ 89,484,500</u>	<u>\$ 76,262,429</u>	<u>\$ 3,451,070</u>	<u>\$ 162,295,859</u>	<u>\$ 3,875,321</u>

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2008

Note 6 – Long-Term Obligations (Continued)

Long-term obligations outstanding (excluding compensated absences, deferred debt certificate issuance premiums, and claims and judgments) of the County (primary government) are as follows:

<u>Description</u>	<u>Fund Debt Retired By</u>	<u>Balance December 1</u>	<u>Issuances</u>	<u>Retirements</u>	<u>Balance November 30</u>
Capital Leases – Governmental Activities					
Fifth Third Bank SANS Lease (1)					
\$300,000 capital lease due in semi-annual installments plus interest at 3.69% through January 8, 2008	General	\$ 32,528	\$ -	\$ 32,528	\$ -
Avaya Lease (1)					
\$250,254 capital lease; monthly principal and interest payments of \$5,539 through September 2010; interest imputed at 3%	General	180,334	18,165	65,693	132,806
HP Server Lease II (1)					
\$1,546,358 capital lease due in annual installments of \$410,348; interest at 4.13% through October 15, 2010	General	1,136,010	-	363,463	772,547
HP Laptop Lease (1)					
\$580,374 capital lease due in annual installments of \$193,458; interest at 0% through January 2010	General	-	580,374	193,458	386,916
HP Desktop Lease (1)					
\$1,274,279 capital lease due in annual installments of \$278,252; interest at 4.59% through January 2012	General & Workforce Network	-	1,274,279	278,252	996,027
HP Recorder Lease (1)					
\$165,409 capital lease due in annual installments of \$43,156; interest at 2.92% through June 2011	Recorder Automation	-	165,409	43,156	122,253
Total Capital Leases		\$ 1,348,872	\$ 2,038,227	\$ 976,550	\$ 2,410,549

Capital leases have resulted in the acquisition of \$4,600,739 of capital assets (equipment), which have accumulated depreciation of \$1,395,840.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2008

Note 6 – Long-Term Obligations (Continued)

Description	Fund Debt Retired By	Balance December 1	Issuances	Retirements	Balance November 30
Debt Certificates – Governmental Activities					
McHenry County General Obligation (2) \$4,250,000 Limited Tax Debt Certificate Series 2001, due in annual installments of \$350,000 to \$510,000; interest at 4.235% to 4.65% through May 1, 2011	Debt Service	\$ 1,920,000	\$ -	\$ 450,000	\$ 1,470,000
McHenry County General Obligation (3) \$1,575,000 Limited Tax Debt Certificate Series 2001-A, due in semi-annual installments of \$28,700 to \$36,100; interest at 2.25% to 4.89%, balloon payment due December 30, 2011	Debt Service	790,136	-	152,376	637,760
McHenry County General Obligation (4) \$6,085,000 McHenry County Debt Certificates Series 2002A, due in annual installments of \$145,000 to \$560,000; interest at 2.5% to 4.3% through January 2018	Debt Service	4,980,000	-	355,000	4,625,000
McHenry County General Obligation (5) \$5,000,000 McHenry County Debt Certificate Series 2003A, due in annual installments of \$185,000 to \$765,000; interest at 2.5% to 4.75% through January 2022	Debt Service	4,380,000	-	225,000	4,155,000
McHenry County General Obligation (6) \$4,600,000 McHenry County Debt Certificate Series 2003C, due in annual installments of \$440,000 to \$610,000, Interest at 4% to 5.5% through January 2014	Debt Service	3,710,000	-	465,000	3,245,000

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2008

Note 6 – Long-Term Obligations (Continued)

Description	Fund Debt Retired By	Balance December 1	Issuances	Retirements	Balance November 30
Debt Certificates – Governmental Activities (Continued)					
McHenry County General Obligation (6) \$1,895,000 McHenry County Debt Certificate Series 2005A, due in annual installments of \$230,000 to \$355,000, Interest at 3.5% to 3.65% through January 2015	Debt Service	\$ 1,895,000	\$ -	\$ -	\$ 1,895,000
McHenry County General Obligation (6) \$1,205,000 McHenry County Debt Certificate Series 2005B, due in annual installments of \$75,000 to \$300,000; Interest at 3.4% to 4.65% through January 2010	Debt Service	660,000	-	285,000	375,000
McHenry County General Obligation (8) \$8,280,000 McHenry County Debt Certificate Series 2006A, due in annual installments of \$40,000 to \$1,400,000; Interest at 3.85% to 4.0% through January 2022	Debt Service	8,240,000	-	390,000	7,850,000
McHenry County General Obligation (9) \$4,885,000 McHenry County Debt Certificate Series 2007A, due in annual installments of \$440,000 to \$575,000; Interest at 3.85% to 4.15% through January 2017	Debt Service	4,885,000	-	440,000	4,445,000
McHenry County General Obligation (10) \$50,000,000 McHenry County Debt Certificate Series 2007B, due in annual installments of \$4,060,000 to \$6,060,000; Interest at 4.0% to 4.5% through January 2017	Debt Service	<u>50,000,000</u>	<u>-</u>	<u>4,060,000</u>	<u>45,940,000</u>
Total Debt Certificates		<u>\$ 81,460,136</u>	<u>\$ -</u>	<u>\$ 6,822,376</u>	<u>\$ 74,637,760</u>

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2008

Note 6 – Long-Term Obligations (Continued)

Description	Fund Debt Retired By	Balance December 1	Issuances	Retirements	Balance November 30
Capital Leases – Business-Type Activities					
Avaya Lease (1)					
\$59,934 capital lease; monthly principal and interest payments of \$1,216 through September 2010; interest imputed at 3%	Valley Hi	\$ <u>39,586</u>	\$ <u>-</u>	\$ <u>13,589</u>	\$ <u>25,997</u>
Capital leases have resulted in the acquisition of \$54,934 of capital assets (equipment), which have accumulated depreciation of \$27,467.					
Debt Certificates – Business-Type Activities					
Valley Hi (7)					
\$10,000,000 Valley Hi Series 2003B, due in annual installments of \$445,000 to \$995,000; Interest at 3.05% to 4.35% through January 2022	Valley Hi	\$ 10,000,000	\$ -	\$ -	\$ 10,000,000
Valley Hi (7)					
\$2,500,000 Series 2004, due in annual installments of \$480,000 to \$525,000; Interest at 1.8% to 3.1% through January 2006	Valley Hi	<u>1,535,000</u>	<u>-</u>	<u>500,000</u>	<u>1,035,000</u>
Total Debt Certificates		<u>\$ 11,535,000</u>	<u>\$ -</u>	<u>\$ 500,000</u>	<u>\$ 11,035,000</u>

Long-term obligations outstanding (excluding compensated absences, deferred bond issuance premiums, and deferred charge on refunding) of the District (component unit) are as follows:

General Obligation Bonds – Governmental Activities (District)

McHenry County Conservation District (11)					
\$20,330,000 General Obligation Limited Bonds Series 1998A, due in annual installments; interest at 4.7% to 5.25% through February 1, 2018	District Debt Service	\$ 7,605,000	\$ -	\$ 120,000	\$ 7,485,000

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2008

Note 6 – Long-Term Obligations (Continued)

Description	Fund Debt Retired By	Balance December 1	Issuances	Retirements	Balance November 30
General Obligation Bonds – Governmental Activities (District) (Continued)					
McHenry County Conservation District (11) \$68,500,000 General Obligation Bonds Series 2001A, due in annual installments; interest at 4.25% to 5.625% Through February 1, 2021	District Debt Service	8,005,000	-	1,550,000	6,455,000
McHenry County Conservation District (11) \$12,235,000 General Obligation Limited Refunding Bonds Series 2001B, due in Annual installments; interest at 4.25% to 5.0% through February 1, 2016	District Debt Service	8,105,000	-	1,125,000	6,980,000
McHenry County Conservation District (11) \$58,825,000 General Obligation Refunding Bonds Series 2005A, due in annual installments; interest at 3.0% to 5.0% through February 1, 2021	District Debt Service	58,260,000	-	140,000	58,120,000
McHenry County Conservation District (11) \$1,315,000 General Obligation Refunding Tax Bonds Series 2005B, due in annual installments; interest at 3.5% to 4.0% through February 1, 2014	District Debt Service	1,300,000	-	-	1,300,000
McHenry County Conservation District (11) \$73,000,000 General Obligation Bonds Series 2007, due in annual installments; interest at 4.0% to 5.125% through February 1, 2027	District Debt Service	-	73,000,000	-	73,000,000
Total General Obligation Bonds		<u>\$ 83,275,000</u>	<u>\$ 73,000,000</u>	<u>\$ 2,935,000</u>	<u>\$ 153,340,000</u>

County of McHenry, Illinois
 NOTES TO FINANCIAL STATEMENTS
November 30, 2008

Note 6 – Long-Term Obligations (Continued)

Description	Fund Debt Retired By	Balance December 1	Issuances	Retirements	Balance November 30
Installment Contract – Governmental Activities (District)					
McHenry County Conservation District (12)					
\$6,300,000 Installment Contract, dated November 16, 2006, interest at 2.5% due in semi-annual installments; balloon payment of principal and interest due November 1, 2016	District Debt Service	\$ <u>6,300,000</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>6,300,000</u>

Notes for Long-Term Obligations

- (1) The proceeds from capital leases were used for the purchase of computer hardware and related technology improvements. The capital leases will be repaid from the General fund, Workforce Network fund, Recorder Automation fund, and Valley Hi fund.
- (2) The proceeds were used for the construction of a new facility for the Division of Transportation. Principal and interest payments will be reported in a Debt Service fund. Funding will be provided by transfers in from the County Highway fund and the Highway Department Relocation fund.
- (3) The proceeds were used for the construction of a new facility for the Mental Health Board. Principal and interest payments will be reported in a Debt Service fund. Funding will be provided by transfers in from the County Mental Health fund.
- (4) The proceeds were used for the construction of a new administration building. Principal and interest payments will be reported in a Debt Service fund. Funding will be provided by transfers in from the General fund.
- (5) The proceeds were used for the judicial center conversion project, which included the remodeling of the government center and Annex A. Principal and interest payments will be reported in a Debt Service fund. Funding will be provided by transfers in from the General fund.
- (6) The proceeds were used for renovating the County jail. Principal and interest payments will be reported in a Debt Service fund. Funding will be provided by transfers in from the General fund.
- (7) The proceeds were used for the construction of the new Valley Hi facility. The bonds are to be repaid from the collection of fees from the nursing home residents and other governmental aid.
- (8) The proceeds were used to advance refund Series 2002B debt certificates. In addition, proceeds will be used for the purchase and construction of a new animal control facility and for energy saving renovations at the government center. Funding will be provided by transfers in from the General fund.
- (9) The proceeds are for the purchase and implementation of a new radio system for the Sheriff's Office. Principal and interest payments will be reported in a Debt Service fund. Funding will be provided by transfers in from the General
- (10) The proceeds are for highway engineering, construction, and maintenance costs. Principal and interest payments will be reported in a Debt Service fund. Funding will be provided by transfers in from the Motor Fuel Tax fund, County Option Motor Fuel Tax fund, Matching fund, and Bridge fund.
- (11) The District issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. In addition, general obligation bonds have been issued to refund general obligation bonds.
- (12) The District issued an installment contract payable in order to acquire certain land.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2008

Note 6 – Long-Term Obligations (Continued)

Debt Service Requirements to Maturity

Annual debt service requirements to maturity for the County (primary government) for capital leases and debt certificates are as follows:

<u>Fiscal Year</u>	<u>Governmental Activities</u>			
	<u>Capital Leases</u>			
	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>	
2009	\$ 915,527	\$ 84,229	\$ 999,756	
2010	932,721	54,609	987,330	
2011	296,272	25,135	321,407	
2012	266,029	12,224	278,253	
	<u>\$ 2,410,549</u>	<u>\$ 176,197</u>	<u>\$ 2,586,746</u>	
<u>Fiscal Year</u>	<u>Business-Type Activities</u>			
	<u>Capital Leases</u>			
	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>	
2009	\$ 14,003	\$ 588	\$ 14,591	
2010	11,994	166	12,160	
	<u>\$ 25,997</u>	<u>\$ 754</u>	<u>\$ 26,751</u>	
<u>Fiscal Year</u>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Debt Certificates</u>		<u>Debt Certificates</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2009	\$ 7,018,983	\$ 3,070,655	\$ 510,000	\$ 424,975
2010	7,316,813	2,768,363	970,000	402,912
2011	7,614,853	2,463,074	640,000	377,588
2012	7,767,111	2,134,221	660,000	353,987
2013	7,685,000	1,792,236	685,000	326,231
2014-2018	32,520,000	3,919,001	3,850,000	1,195,774
2019-2022	4,715,000	456,970	3,720,000	329,869
	<u>\$ 74,637,760</u>	<u>\$ 16,604,520</u>	<u>\$ 11,035,000</u>	<u>\$ 3,411,336</u>

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2008

Note 6 – Long-Term Obligations (Continued)

Debt Service Requirements to Maturity (Continued)

Annual debt service requirements to maturity for the District (component unit) for general obligation bonds and installment contracts for governmental type activities are as follows:

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	
	<u>Principal</u>	<u>Interest</u>
2009	\$ 3,285,000	\$ 7,557,842
2010	3,655,000	7,411,204
2011	4,045,000	7,247,554
2012	4,475,000	7,057,004
2013	4,915,000	6,863,104
2014-2018	32,665,000	30,155,098
2019-2023	49,305,000	20,602,344
2024-2027	50,995,000	6,598,223
	<u>\$ 153,340,000</u>	<u>\$ 93,492,373</u>

<u>Fiscal Year</u>	<u>Installment Contract</u>	
	<u>Principal</u>	<u>Interest</u>
2009	\$ -	\$ 157,500
2010	-	157,500
2011	-	157,500
2012	-	157,500
2013	-	157,500
2014-2016	6,300,000	564,842
	<u>\$ 6,300,000</u>	<u>\$ 1,352,342</u>

There are a number of limitations and restrictions contained in various bond indentures and loan agreements. The County believes it is in compliance with all significant limitations and restrictions, including federal arbitrage regulations.

Advance Refunding of Debt

In prior years, The County advance refunded debt certificates, by placing funds in an irrevocable trust with an escrow agent for the purpose of paying all future debt service payments. As a result, the advance refunded debt certificates are considered to be defeased and the liability is not included in the statement of net assets.

As of November 30, 2008, \$3,315,000 of defeased debt is still outstanding. The defeased debt is scheduled to be repaid in full on its call date of January 15, 2011.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2008

Note 6 – Long-Term Obligations (Continued)

Advance Refunding of Debt - District (Component Unit)

In prior years, the District advanced refunded bonded debt by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments on previously refunded debt. Accordingly, the trust account assets and the liability for the defeased debt are not included in the District's financial statements.

As of March 31, 2008, a total of \$57,200,000 of defeased debt is still outstanding.

Industrial Revenue Bonds (Conduit Debt)

The County has participated in the issuance of Industrial Revenue Bonds in the amount of \$2,675,000. These bonds were issued for the purpose of constructing privately operated manufacturing and other related facilities within the County. These bonds are not direct or contingent liabilities of the County. Revenue from lease agreements and property purchased with the bond proceeds is pledged for the total payment of principal and interest on the bonds, and the bondholders can look only to these sources for repayment. Outstanding bonds are scheduled to mature in 2013.

Note 7 – Defined Benefit Pension Plans

A. Plan Description

The County and District's defined benefit pension plans provide retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The County and District's plans are affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois.

IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained on-line at www.imrf.org or by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

B. Funding Policy

As set by statute, plan members are required to contribute a percentage of their annual salary. Plan member contribution rates are 4.5% for the Regular Plan, 7.5% for the Sheriff's Law Enforcement Personnel Plan (SLEP), and 4.5% for the District plan. The statutes require employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rates for calendar year 2007 were 8.66% of annual covered payroll for the Regular Plan, 19.66% of annual covered payroll for the SLEP Plan, and 11.10% of annual covered payroll for the District plan. The County and District also contribute for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits and set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2008

Note 7 – Defined Benefit Pension Plans (Continued)

C. Annual Pension Cost

For calendar year 2007, the County's annual pension costs of \$3,576,716 for the Regular Plan and \$2,111,412 for the SLEP plan were equal to the County's required and actual contributions. The District's annual pension cost of \$376,178 was equal to the District's required and actual contribution.

D. Actuarial Assumptions

The required contributions were determined as part of the December 31, 2005 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2005 included (a) 7.50% investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10.0% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 15% corridor between the actuarial and market value of assets. The plans' over/unfunded actuarial accrued liability are being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2007 was 25 years for the Regular Plan, 25 years for the SLEP plan, and 29 years for the District plan.

E. Funded Status and Funding Progress

a. Regular Plan

As of December 31, 2007, the most recent actuarial valuation date, the Regular Plan was 101.23% funded. The actuarial accrued liability for benefits was \$80,139,699 and the actuarial value of assets was \$81,125,258, resulting in an overfunded actuarial accrued liability (UAAL) of \$985,559. The covered payroll (annual payroll of active employees covered by the plan) was \$41,301,574 and since the plan is overfunded, there is no ratio of the UAAL to the covered payroll.

b. SLEP Plan

As of December 31, 2007, the most recent actuarial valuation date, the SLEP Plan was 68.23% funded. The actuarial accrued liability for benefits was \$41,050,615 and the actuarial value of assets was \$28,010,321, resulting in an underfunded actuarial accrued liability (UAAL) of \$13,040,294. The covered payroll (annual payroll of active employees covered by the plan) was \$10,739,633 and the ratio of the UAAL to the covered payroll was 121.42%.

c. District Plan (pre-GASB 50)

See schedule of funding progress in the required supplementary information section on page 56.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2008

Note 7 – Defined Benefit Pension Plans (Continued)

E. Funded Status and Funding Progress (Continued)

The schedule of funding progress, presented as required supplementary information (RSI), following the notes to financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

F. Trend Information

	Actuarial Valuation Date		Annual Pension Cost (APC)	Percentage of APC Contributed		Net Pension Obligation
Regular Plan	12/31/07	\$	3,576,716	100 %	\$	-
	12/31/06		3,489,750	100		-
	12/31/05		2,869,491	100		-
	12/31/04		2,247,587	100		-
	12/31/03		1,243,807	100		-
	12/31/02		972,609	100		-
	12/31/01		1,502,351	100		-
	12/31/00		1,716,141	100		-
	12/31/99		2,018,973	100		-
	12/31/98		1,870,410	100		-
SLEP	12/31/07	\$	2,111,412	100 %	\$	-
	12/31/06		1,950,068	100		-
	12/31/05		1,645,180	100		-
	12/31/04		1,689,114	100		-
	12/31/03		1,868,138	100		-
	12/31/02		1,750,352	100		-
	12/31/01		1,574,320	100		-
	12/31/00		1,463,519	100		-
	12/31/99		1,377,988	100		-
	12/31/98		1,046,318	100		-

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2008

Note 7 – Defined Benefit Pension Plans (Continued)

F. Trend Information (Continued)

	Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
District	12/31/07	\$ 376,178	100 %	\$ -
	12/31/06	334,259	100	-
	12/31/05	314,640	100	-
	12/31/04	270,793	100	-
	12/31/03	245,697	100	-
	12/31/02	222,546	100	-
	12/31/01	211,775	100	-
	12/31/00	199,177	100	-
	12/31/99	174,584	100	-
	12/31/98	158,658	100	-

Note 8 – Contingent Liabilities

The County (primary government) is a defendant in various lawsuits, wherein substantial amounts are claimed. Although the outcome of these lawsuits is not presently determinable, the resolution of these matters could have a material adverse effect on the financial condition of the County.

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the County expects such amounts, if any, to be immaterial.

The Valley Hi Fund receives Medicaid payments from the Illinois Department of Healthcare and Family Services (HFS). HFS began using a new payment method in October 2006. The new method requires Valley Hi to repay HFS approximately 40% of the monthly payment amount. Net amounts received from HFS under the new method, including initial amounts received during the transition to the new method, are subject to audit and adjustment, which may constitute a liability of funds received. The amount, if any, of revenue that may be adjusted by HFS cannot be determined at this time, although the County expects such amounts, if any, to be immaterial.

Note 9 – Other Post Employment Benefits

In addition to the pension benefits described in Note 7, the County provides postretirement health insurance to the employees who retire and elect same. To be eligible for coverage, an employee must be qualified as a Sheriff's Law Enforcement Personnel deferred pensioner who has at least 20 years of service credit and is under age 50; a Sheriff's Law Enforcement Personnel retiree who has at least 20 years of service credit and is at least 50 years old; or an Illinois Municipal Retirement Fund retiree who has at least eight years of service credit and is at least 55 years old.

County of McHenry, Illinois
 NOTES TO FINANCIAL STATEMENTS
November 30, 2008

Note 9 – Other Post Employment Benefits (Continued)

Currently, 103 former employees meet the above stated eligibility requirements and are enrolled for coverage under the current plan. The insurer pays the amount of validated medical claims incurred by retirees and their dependents according to the Schedule of Benefits in the current plan. Expenditures for postretirement insurance are recognized on a pay-as-you-go basis. During the year, expenditures of \$1,026,225 were recognized for postretirement insurance paid on behalf of the retirees and their dependents. The County received \$835,711 in premiums from former employees.

Note 10 – Risk Management

The County and District are exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; health care and injuries to employees; and natural disasters. The County accounts for its risk financing in the Health Insurance and Insurance Loss Funds (internal service funds).

The Insurance Loss Fund provides coverage for up to a maximum of \$500,000 for each worker’s compensation claim, \$50,000 for each general liability claim, and \$25,000 for each liability or property damage claim. The County purchases commercial insurance for claims in excess of coverage provided and for other risks of loss. All funds of the County are covered by the Insurance Loss Fund.

The County is self-insured for health and dental claims, which are accounted for in the Health Insurance Fund. The County has \$150,000 stop-loss coverage for individual health claims with an aggregate stop-loss of 125% of total expected annual claims. The County utilizes a third-party administrator to process the claims. The County reimburses the third-party administrator for the claims plus a processing fee. The Health Insurance Fund is supported by payments from other County funds, those that account for personnel costs, based on estimated premium-equivalent amounts.

The claims and judgments liability of \$8,617,536 reported in the Internal Service Funds is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The liability for claims and judgments also includes an estimate of the claims incurred but not reported. The County does not allocate overhead costs or other nonincremental costs to the claims liability.

Settled claims have not exceeded the excess commercial coverage in any of the past three years. There were no significant reductions in insurance coverage from the previous year.

Changes in claims and judgments liability in fiscal year 2008 and 2007 were:

	Balance December 1	Incurred Claims and Changes in Estimates	Claim Payments	Balance November 30
2007 - 2008	\$ 5,104,596	\$ 17,286,810	\$ 13,773,870	\$ 8,617,536
2006 - 2007	\$ 7,895,080	\$ 2,936,829	\$ 5,727,313	\$ 5,104,596

County of McHenry, Illinois
 NOTES TO FINANCIAL STATEMENTS
November 30, 2008

Note 10 – Risk Management (Continued)

The District participates in the Park District Management Agency (PDRMA). PDRMA is a public entity risk pool whose members are Illinois governments. PDRMA manages and funds first party property losses, third party liability claims, boiler and machinery claims, workers' compensation claims, and public officials' liability claims of its members.

Each member assumes the first \$1,000 of property claims each occurrence and has self-insurance retentions at various amounts. Management consists of a Board of Directors comprised of one appointed representative from each member. In addition, there are two officers, a Risk Manager and a Treasurer. The District does not exercise any control over the activities of PDRMA beyond its representation on the Board of Directors.

Initial contributions are determined in advance of each membership year based on the individual member's expenditures as defined in the bylaws of PDRMA, assessment factors based on past member experience, and the funding needs for the membership year. The Board of Directors may require that supplemental contributions be made by members to ensure that adequate funds are available to meet the obligations applicable to the membership year. Members have a contractual obligation to fund any deficit of PDRMA attributable to a membership year during which they were a member.

At December 31, 2007, the total equity of PDRMA was \$35,166,437. For the year ended December 31, 2007, the net income of PDRMA was \$1,101,789. The District made \$157,590 of payments to PDRMA during the year ended March 31, 2008.

In the event of a liability loss exceeding \$16,500,000 per occurrence, self-insured and reinsurance limit, the members would be responsible for funding the excess amount.

The District purchases employee health insurance from third-party insurance company providers.

Settled claims have not exceeded the excess commercial coverage in any of the past three years. There were no significant reductions in insurance coverage from the previous year.

Note 11 – Contractual Commitments

As of year-end, the County had entered into various contracts for road construction and repairs, building projects, and other projects, as shown below. No future financing is required.

	Contract Amount	Remaining Balance
Road construction and repairs	\$ 59,332,170	\$ 16,997,406
Building projects	250,500	242,680
Other projects	3,833,983	2,512,815
	\$ 63,416,653	\$ 19,752,901

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2008

Note 12 – Enterprise Funds – Segment Information

The County maintains one major enterprise fund which accounts for the activities of the Valley Hi Nursing Home. The fund is intended to be self-supporting through resident fees, intergovernmental revenues (mainly Medicare), and real estate taxes.

The other enterprise fund maintained by the County is the 911 fund which is supported by charges to participating members. Since the 911 fund is the only nonmajor Enterprise Fund, segment information was not presented. All the 911 fund information is included in the basic financial statements.

Note 13 – Fund Balance Reserved for Future Grant/Program Expenditure

The County receives grant funds from various government agencies. The funds are restricted until expended in accordance with the various restrictions imposed by the grantor.

Note 14 – Interfund Balances and Transfers

A. Interfund Balances

Individual interfund balances for the County (primary government) at November 30, 2008 are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Due From/To Other Funds Amount</u>	<u>Amount Not Due Within One Year</u>
General Fund	Nonmajor Governmental Funds	\$ 78,199	\$ -
General Fund	Valley Hi Fund	531	-
County Mental Health Fund	Nonmajor Governmental Funds	22,914	-
Nonmajor Governmental Funds	General Fund	1,862	-
Nonmajor Governmental Funds	County Mental Health Fund	7,000	-
Nonmajor Governmental Funds	Other Nonmajor Governmental Funds	15,085	-
911 Fund	General Fund	8,688	-
Internal Service Funds	General Fund	745,024	-
Internal Service Funds	County Mental Health Fund	18,202	-
Internal Service Funds	Nonmajor Governmental Funds	220,412	-
Internal Service Funds	Other Internal Service Funds	6,305	-
Internal Service Funds	Valley Hi Fund	154,186	-
Internal Service Funds	911 Fund	3,131	-
	Subtotal - Fund Financial Statements	1,281,539	\$ -
Less:	Fund eliminations	(3,657,155)	
Add:	Internal service fund activities related to enterprise funds	865,046	
Add:	Advance from general fund to nonmajor governmental funds	2,524,776	
	Total Internal Balances - Government-Wide Statement of Net Assets	\$ 1,014,206	

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2008

Note 14 – Interfund Balances and Transfers (Continued)

A. Interfund Balances (Continued)

The principal purpose of these interfunds is loans for short-term cash needs. All remaining balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

For the statement of net assets, interfund balances which are owed within the governmental activities or business-type activities are netted and eliminated.

The General Fund is advancing funds to two non-major special revenue funds, for the purchase and development of a judiciary and court related project. Under the agreement, the General Fund may advance up to \$3,500,000. The advances are non-interest bearing, with quarterly repayments of \$106,027 to \$107,143, beginning January 2008, through December, 2015. The amount of the advance outstanding at November 30, 2008 is \$2,524,776.

B. Transfers

Interfund transfers for the year ended November 30, 2008 are as follows:

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>	<u>Principal Purpose</u>
General Fund	Nonmajor Governmental Funds	\$ 34,219	Administrative expenses
Motor Fuel Tax Fund	Nonmajor Governmental Funds	10,372,735	Funding of road improvements with debt certificate proceeds
Nonmajor Governmental Funds	General Fund	3,311,332	Debt service payments
Nonmajor Governmental Funds	Motor Fuel Tax Fund	6,199,882	Debt service payments
Nonmajor Governmental Funds	County Mental Health Fund	1,656,965	County support of grant programs and debt service payments
Nonmajor Governmental Funds	Other Nonmajor Governmental Funds	9,477,306	Funding of road improvements with debt certificate proceeds and
Nonmajor Governmental Funds	Other Nonmajor Governmental Funds	<u>619,298</u>	Debt service payments
Subtotal - Governmental Fund Financial Statements		31,671,737	
Less: Fund eliminations		<u>(31,671,737)</u>	
Total Transfers - Government-Wide Statement of Activities		<u>\$ -</u>	

Generally, transfers are used to (1) move revenues from the fund that collects them to the fund that the budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2008

Note 15 – Net Assets

Net assets reported on the government-wide statement of net assets at November 30, 2008 includes the following:

Governmental Activities

Invested in capital assets, net of related debt	
Land	\$ 47,703,895
Construction in progress	51,485,830
Other capital assets, net of accumulated depreciation	146,796,292
Less: related long-term debt outstanding	<u>(59,877,917)</u>
Total invested in capital assets, net of related debt	<u>186,108,100</u>
Restricted	
Grant programs	5,886,147
Transportation systems	62,795,910
Public welfare programs	10,630,608
Employee benefits	10,486,388
Technology improvements	1,913,130
Judiciary and court related	2,161,363
Debt service	2,585
Working cash - permanently restricted	800,568
Other	<u>137,507</u>
Total restricted	<u>94,814,206</u>
Unrestricted	<u>43,594,428</u>
Total governmental activities net assets	\$ <u><u>324,516,734</u></u>

Business-Type Activities

Invested in capital assets, net of related debt	
Land	\$ 6,000
Construction in progress	248,300
Other capital assets, net of accumulated depreciation	15,375,014
Less: related long-term debt outstanding	<u>(11,060,997)</u>
Total invested in capital assets, net of related debt	4,568,317
Restricted	
Debt service	41,191
Unrestricted	<u>22,272,580</u>
Total business-type activities net assets	\$ <u><u>26,882,088</u></u>

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2008

Note 16 - Fund Deficits

The following funds reported a deficit as of November 30, 2008:

<u>Fund</u>	<u>Deficit Amount</u>
(1) Special Revenue Fund - Mental Health Grant Fund	\$ (223,545)
(1) Special Revenue Fund - Treasurer's Passport Services Fund	(4,370)
(2) Special Revenue Fund - Circuit Court Document Storage Fund	(392,870)
(2) Special Revenue Fund - Circuit Court Automation Fund	(739,966)

(1) Fund deficit is due to revenue and expenditure timing differences. The fund deficit will be eliminated with future revenues. (2) Fund deficit is due to capital outlay financed by an advance from the general fund. The fund deficit will be eliminated as future revenues are used to repay the advance through 2015. See note 14 for more detail on the advance.

Note 17 - Capital Contributions

Capital contributions of \$5,141,148 consist of land, roads, and equipment received from developers and other governmental agencies for the year ended November 30, 2008. These contributed assets have been recorded in the Statement of Activities as capital contributions.

Note 18 - Subsequent Event

In December 2008, the County issued \$4,480,000 in debt certificates to finance the acquisition of land and buildings, which are being acquired through condemnation and purchase. The debt certificates are due in annual installments, interest at 3.0% to 4.0%, through January 2019.

Note 19 - New Governmental Accounting Standards

Following is a summary of select statements issued by the Governmental Accounting Standards Board (GASB), that the County will have to implement in upcoming fiscal years:

Statement No. 45 - "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions." This standard establishes standards for the measurement, recognition and display of OPEB expense/expenditures and related liabilities (assets), note disclosures, and required supplementary information. Note 10 describes the OPEB that the County currently provides for employees and retirees. The County is required to implement this Statement for the year ending November 30, 2009.

Statement No. 51 - "Accounting and Financial Reporting for Intangible Assets." Governments possess many different types of assets that may be considered intangible assets, including easements, water rights, timber rights, patents, trademarks, and computer software. This Statement requires that all intangible assets not specifically excluded by the standard be classified as capital assets. Accordingly, existing authoritative guidance for capital assets should be applied to these intangible assets. Additionally, this Statement establishes an approach to recognizing intangible assets that are internally generated. This Statement also establishes guidance for the amortization of intangible assets. The provisions of this Statement generally are required to be applied retroactively, except for those considered to have indefinite useful lives and those that are considered internally generated. The County is required to implement this statement for the year ending November 30, 2010.

REQUIRED SUPPLEMENTARY INFORMATION

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended November 30, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Charges for services	\$ 20,465,395	\$ 20,529,891	\$ 20,560,008	\$ 30,117
Licenses and permits	1,789,200	1,789,200	1,334,225	(454,975)
Fines and forfeitures	1,653,300	1,653,300	1,511,998	(141,302)
Grants, contributions, and intergovernmental	3,659,862	4,233,129	5,050,758	817,629
Property taxes	28,800,000	28,800,000	28,756,610	(43,390)
Sales taxes	9,458,000	9,458,000	9,139,101	(318,899)
State income taxes	5,500,000	5,500,000	6,214,390	714,390
Tax transfer stamps	3,400,000	3,400,000	1,968,253	(1,431,747)
Other taxes	1,725,000	1,725,000	2,028,972	303,972
Investment income	1,996,100	1,996,100	1,416,772	(579,328)
Miscellaneous	235,000	235,000	122,461	(112,539)
Total Revenues	78,681,857	79,319,620	78,103,548	(1,216,072)
EXPENDITURES				
Current				
General and administrative	27,924,790	27,523,995	23,785,137	3,738,858
Community development	1,367,271	1,457,471	1,273,552	183,919
Public safety	27,609,885	28,470,251	27,649,405	820,846
Judiciary and court related	10,304,982	10,676,356	10,180,033	496,323
Public health and welfare	6,165,745	6,579,485	6,361,968	217,517
Capital outlay	3,686,847	9,583,338	8,626,176	957,162
Debt service				
Principal retirement	1,006,116	1,011,522	919,469	92,053
Interest and fiscal charges	52,398	52,352	52,298	54
Total Expenditures	78,118,034	85,354,770	78,848,038	6,506,732
Excess (deficiency) of revenues over expenditures	563,823	(6,035,150)	(744,490)	5,290,660
OTHER FINANCING SOURCES (USES)				
Transfers in	51,000	51,000	34,219	(16,781)
Transfers out	(3,369,084)	(3,392,217)	(3,311,332)	80,885
Capital leases issued	1,900,000	1,924,120	1,872,818	(51,302)
Total Other Financing Sources (Uses)	(1,418,084)	(1,417,097)	(1,404,295)	12,802
Net Change in Fund Balance	\$ (854,261)	\$ (7,452,247)	(2,148,785)	\$ 5,303,462
Fund Balance - Beginning of Year			45,893,611	
Fund Balance - End of Year			\$ 43,744,826	

See Independent Auditors' Report and accompanying notes to required supplementary information.

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
MOTOR FUEL TAX FUND
For the Year Ended November 30, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Grants, contributions, and intergovernmental	\$ 6,263,440	\$ 6,263,440	\$ 6,847,091	\$ 583,651
Investment income	<u>1,000,000</u>	<u>1,000,000</u>	<u>608,205</u>	<u>(391,795)</u>
Total Revenues	<u>7,263,440</u>	<u>7,263,440</u>	<u>7,455,296</u>	<u>191,856</u>
EXPENDITURES				
Current				
Transportation				
Personnel services	129,320	129,320	126,641	2,679
Contractual services	2,533,000	6,402,486	3,362,457	3,040,029
Commodities	988,500	1,153,500	879,634	273,866
Capital outlay	<u>11,981,000</u>	<u>14,250,838</u>	<u>8,382,543</u>	<u>5,868,295</u>
Total Expenditures	<u>15,631,820</u>	<u>21,936,144</u>	<u>12,751,275</u>	<u>9,184,869</u>
Deficiency of revenues over expenditures	<u>(8,368,380)</u>	<u>(14,672,704)</u>	<u>(5,295,979)</u>	<u>9,376,725</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	15,631,820	15,631,820	10,372,735	(5,259,085)
Transfers out	<u>(6,248,394)</u>	<u>(6,248,394)</u>	<u>(6,199,882)</u>	<u>48,512</u>
Total Other Financing Sources (Uses)	<u>9,383,426</u>	<u>9,383,426</u>	<u>4,172,853</u>	<u>(5,210,573)</u>
Net Change in Fund Balance	<u>\$ 1,015,046</u>	<u>\$ (5,289,278)</u>	(1,123,126)	<u>\$ 4,166,152</u>
Fund Balance - Beginning of Year			<u>22,804,084</u>	
Fund Balance - End of Year			<u>\$ 21,680,958</u>	

See Independent Auditors' Report and accompanying notes to required supplementary information.

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
COUNTY MENTAL HEALTH FUND
For the Year Ended November 30, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Grants, contributions, and intergovernmental	\$ 225,000	\$ 225,000	\$ 192,862	\$ (32,138)
Property taxes	11,628,507	11,628,507	11,553,060	(75,447)
Investment income	52,000	52,000	121,128	69,128
Miscellaneous	<u>25,000</u>	<u>25,000</u>	<u>3,350</u>	<u>(21,650)</u>
 Total Revenues	 <u>11,930,507</u>	 <u>11,930,507</u>	 <u>11,870,400</u>	 <u>(60,107)</u>
EXPENDITURES				
Current				
Public health and welfare				
Personnel services	1,264,961	1,264,961	1,050,556	214,405
Contractual services	8,937,203	9,377,203	9,269,469	107,734
Commodities	164,008	164,008	91,967	72,041
Capital outlay	37,500	37,500	15,656	21,844
Debt service				
Interest and fiscal charges	<u>2,236</u>	<u>2,236</u>	<u>-</u>	<u>2,236</u>
 Total Expenditures	 <u>10,405,908</u>	 <u>10,845,908</u>	 <u>10,427,648</u>	 <u>418,260</u>
 Excess of revenues over expenditures	 1,524,599	 1,084,599	 1,442,752	 358,153
OTHER FINANCING USES				
Transfers out	<u>(2,082,902)</u>	<u>(1,760,101)</u>	<u>(1,656,965)</u>	<u>103,136</u>
 Net Change in Fund Balance	 <u>\$ (558,303)</u>	 <u>\$ (675,502)</u>	 (214,213)	 <u>\$ 461,289</u>
 Fund Balance - Beginning of Year			 <u>6,371,557</u>	
 Fund Balance - End of Year			 <u>\$ 6,157,344</u>	

See Independent Auditors' Report and accompanying notes to required supplementary information.

County of McHenry, Illinois
SCHEDULE OF FUNDING PROGRESS
ILLINOIS MUNICIPAL RETIREMENT FUND
November 30, 2008

Regular Plan							UAAL as a
Actuarial	(1)	(2)	(2)-(1)	(1)/(2)	(3)	Percentage of	
Valuation	Actuarial	Actuarial Accrued	Unfunded	Funded	Covered	Covered	
Date	Value of	Liability (AAL)	AAL	Ratio	Payroll	Payroll	
	Assets	Entry Age	(UAAL)			((2-1)/3)	
12/31/2007	\$ 81,125,258	\$ 80,139,699	\$ (985,559)	101.23 %	\$ 41,301,574	(2.39) %	
12/31/2006	72,662,657	72,898,658	236,001	99.68	37,686,288	0.63	
12/31/2005	64,315,033	65,315,467	1,000,434	98.47	34,406,368	2.91	
12/31/2004	60,393,684	63,333,487	2,939,803	95.36	32,248,235	9.12	
12/31/2003	57,414,076	55,692,335	(1,721,741)	103.09	28,791,841	(5.98)	
12/31/2002	54,731,222	49,994,236	(4,736,986)	109.48	26,720,024	(17.73)	
12/31/2001	55,266,681	45,465,691	(9,800,990)	121.56	24,669,142	(39.73)	
12/31/2000	52,431,520	42,363,133	(10,068,387)	123.77	23,285,495	(43.24)	
12/31/1999	44,331,834	38,958,244	(5,373,590)	113.79	22,608,892	(23.77)	
12/31/1998	36,593,696	34,591,856	(2,001,840)	105.79	20,851,814	(9.60)	

Sheriff's Law Enforcement Personnel Plan (SLEP)

Sheriff's Law Enforcement Personnel Plan (SLEP)							UAAL as a
Actuarial	(1)	(2)	(2)-(1)	(1)/(2)	(3)	Percentage of	
Valuation	Actuarial	Actuarial Accrued	Unfunded	Funded	Covered	Covered	
Date	Value of	Liability (AAL)	AAL	Ratio	Payroll	Payroll	
	Assets	Entry Age	(UAAL)			((2-1)/3)	
12/31/2007	\$ 28,010,321	\$ 41,050,615	\$ 13,040,294	68.23 %	\$ 10,739,633	121.42 %	
12/31/2006	23,537,231	37,103,030	13,565,799	63.44	10,119,707	134.05	
12/31/2005	23,063,831	35,063,778	11,999,947	65.78	9,711,808	123.56	
12/31/2004	21,752,530	31,037,611	9,285,081	70.08	9,452,233	98.23	
12/31/2003	24,403,588	29,950,460	5,546,872	81.48	8,762,956	63.30	
12/31/2002	24,463,263	29,539,503	5,076,240	82.82	8,233,075	61.66	
12/31/2001	22,270,021	25,576,720	3,306,699	87.07	7,278,410	45.43	
12/31/2000	19,615,611	23,611,081	3,995,470	83.08	7,056,504	56.62	
12/31/1999	17,172,006	22,339,571	5,167,565	76.87	6,883,060	75.08	
12/31/1998	11,495,192	17,604,072	6,108,880	65.30	6,664,448	91.66	

Component Unit's Plan - Conservation District

Component Unit's Plan - Conservation District							UAAL as a
Actuarial	(1)	(2)	(2)-(1)	(1)/(2)	(3)	Percentage of	
Valuation	Actuarial	Actuarial Accrued	Unfunded	Funded	Covered	Covered	
Date	Value of	Liability (AAL)	AAL	Ratio	Payroll	Payroll	
	Assets	Entry Age	(UAAL)			((2-1)/3)	
12/31/2007	\$ 3,779,647	\$ 5,542,087	\$ 1,762,440	68.20 %	\$ 3,388,994	52.00 %	
12/31/2006	3,106,899	4,756,881	1,649,982	65.31	3,038,721	54.30	
12/31/2005	3,020,937	4,511,798	1,490,861	66.96	2,948,830	50.56	
12/31/2004	2,514,944	3,716,034	1,201,090	67.68	2,540,270	47.28	
12/31/2003	2,094,537	3,179,461	1,084,924	65.88	2,357,941	46.01	
12/31/2002	1,897,867	2,820,714	922,847	67.28	2,150,203	42.92	
12/31/2001	1,579,222	2,367,171	787,949	66.71	1,997,873	39.44	
12/31/2000	1,246,214	1,959,916	713,702	63.59	1,830,668	38.99	
12/31/1999	883,531	1,655,509	771,978	53.37	1,619,524	47.67	
12/31/1998	701,065	1,531,780	830,715	45.77	1,401,577	59.27	

See Independent Auditors' Report and accompanying notes to required supplementary information.

County of McHenry, Illinois
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
November 30, 2008

Note 1 – Budgetary Basis of Accounting

Budgets are adopted on a basis consistent with generally accepted accounting principles. All unexpended annual appropriations lapse at fiscal year-end.

Note 2 – Excess of Expenditures Over Budget

No major funds had an excess of expenditures over budget for fiscal year 2008.

Note 3 – IMRF Information

On a market value basis, the actuarial value of assets as of December 31, 2007 is \$86,057,952 for the Regular Plan, \$30,588,402 for the SLEP Plan, and \$4,034,208 for the District Plan. On a market basis, the funded ratio would be 107.38% for the Regular Plan, 74.51% for the SLEP Plan, and 72.79% for the District Plan.

Digest of Changes

The actuarial assumptions used to determine the actuarial accrued liability for 2007 are based on the 2002-2004 Experience Study.

The principal changes were:

- The 1994 Group Annuity Mortality implemented.
- For regular members, fewer normal and more early retirements are expected to occur.

SUPPLEMENTARY INFORMATION

**COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES**

GENERAL FUND

To account for resources traditionally associated with governments, which are not required to be accounted for in another fund.

County of McHenry, Illinois
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended November 30, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget
CHARGES FOR SERVICES				
General and Administrative				
County clerk fees	\$ 185,000	\$ 185,000	\$ 177,377	\$ (7,623)
Tax redemption fees	130,000	130,000	118,812	(11,188)
Recording fees	1,880,000	1,880,000	1,301,910	(578,090)
Penalties/fees on delinquent taxes	1,100,000	1,100,000	1,348,699	248,699
Cable television franchise fees	380,000	380,000	525,732	145,732
Assessor's salary reimbursement	48,310	48,310	52,371	4,061
Other fees and charges	12,560	12,560	14,005	1,445
Community Development				
Subdivision review fees	16,000	16,000	22,261	6,261
Flood plain investigation fees	250,000	250,000	135,998	(114,002)
Maps and publications fees	6,000	6,000	6,179	179
Other fees and charges	11,500	11,500	18,517	7,017
Public Safety				
Coroner fees	3,000	3,000	12,405	9,405
Sheriff fees - circuit court	425,000	425,000	470,748	45,748
Sheriff fees - photocopies	10,000	10,000	9,967	(33)
Sheriff fees - foreign courts	65,000	65,000	62,493	(2,507)
Foreclosures	5,000	5,000	25,230	20,230
Court security fees	900,000	900,000	970,184	70,184
Jail space rental	7,733,650	7,733,650	7,736,114	2,464
Payphones	135,000	135,000	287,383	152,383
Dispatching fee	218,417	241,145	304,113	62,968
Squad car replacement fee	35,000	35,000	59,798	24,798
Work release program	-	31,986	-	(31,986)
Other fees and charges	51,292	51,292	72,111	20,819
Judiciary and Court Related				
10% bond earnings	350,000	350,000	347,787	(2,213)
Circuit clerk fees	3,250,650	3,250,650	3,576,782	326,132
County court fees	694,000	694,000	581,732	(112,268)
Court services salary reimbursements	900,000	900,000	562,732	(337,268)
State's attorney salary reimbursements	133,156	135,735	141,121	5,386
State's attorney fees	28,000	28,000	75,082	47,082
Public aid	90,000	90,000	4,365	(85,635)
Periodic imprisonment fees	18,000	18,000	16,658	(1,342)
Public defender salary reimbursement	92,985	100,188	86,801	(13,387)
Public defenders fees	30,000	30,000	72,644	42,644
Other fees and charges	19,700	19,700	33,798	14,098

(Continued)

County of McHenry, Illinois
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended November 30, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
CHARGES FOR SERVICES (Continued)				
Public Health and Welfare				
Animal control tags	\$ 531,000	\$ 531,000	\$ 739,700	\$ 208,700
Veterinary fees	58,850	58,850	64,559	5,709
Nursing fees	100,200	100,200	90,527	(9,673)
Health review fees	15,000	15,000	8,920	(6,080)
Health promotion	39,000	39,000	36,543	(2,457)
Vital record fees	37,000	37,000	41,327	4,327
Subdivision review fees	18,000	18,000	16,757	(1,243)
Medicare	84,200	84,200	60,097	(24,103)
Public aid	128,800	128,800	102,560	(26,240)
Private pay	25,000	25,000	5,183	(19,817)
Vision and hearing fees	88,500	88,500	51,367	(37,133)
Other fees and charges	<u>132,625</u>	<u>132,625</u>	<u>110,559</u>	<u>(22,066)</u>
Total Charges for Services	<u>20,465,395</u>	<u>20,529,891</u>	<u>20,560,008</u>	<u>30,117</u>
LICENSES AND PERMITS				
General and Administrative				
Liquor licenses	140,000	140,000	129,825	(10,175)
Amusement licenses	16,000	16,000	11,731	(4,269)
Community Development				
Building permits	700,000	700,000	522,150	(177,850)
Zoning permits	200,000	200,000	74,347	(125,653)
Hauler license fees	8,200	8,200	11,275	3,075
Public Health and Welfare				
Septic and well permits	300,000	300,000	139,243	(160,757)
Health licenses	<u>425,000</u>	<u>425,000</u>	<u>445,654</u>	<u>20,654</u>
Total Licenses and Permits	<u>1,789,200</u>	<u>1,789,200</u>	<u>1,334,225</u>	<u>(454,975)</u>
FINES AND FORFEITURES				
Community Development				
Planning fines	15,000	15,000	13,683	(1,317)
Judiciary and Court Related				
Fines and bond forfeitures	1,452,300	1,452,300	1,343,170	(109,130)
County drug fines	150,000	150,000	119,258	(30,742)
Public Health and Welfare				
Veterinary fines	<u>36,000</u>	<u>36,000</u>	<u>35,887</u>	<u>(113)</u>
Total Fines and Forfeitures	<u>1,653,300</u>	<u>1,653,300</u>	<u>1,511,998</u>	<u>(141,302)</u>

(Continued)

County of McHenry, Illinois
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended November 30, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
GRANTS, CONTRIBUTIONS, AND INTERGOVERNMENTAL				
General and Administrative				
Election reimbursements	\$ 564,516	\$ 564,516	\$ 451,944	\$ (112,572)
Public Safety				
Sheriff's Office - grants	-	199,625	704,948	505,323
Emergency Management - grants	64,542	90,576	59,637	(30,939)
Judiciary and Court Related				
Dependent children care reimbursements	28,000	28,000	30,066	2,066
Dependent children/parent reimbursements	62,000	62,000	55,263	(6,737)
State's Attorney - grants	27,500	27,500	27,500	-
Public Health and Welfare				
Health department grants -				
Nursing	2,512,816	2,789,209	3,011,932	222,723
Environmental Administration	139,488	210,703	184,760	(25,943)
Administration	61,000	61,000	77,117	16,117
IDPH vaccines	200,000	200,000	447,591	247,591
Total Grants, Contributions, and Intergovernmental	<u>3,659,862</u>	<u>4,233,129</u>	<u>5,050,758</u>	<u>817,629</u>
PROPERTY TAXES	<u>28,800,000</u>	<u>28,800,000</u>	<u>28,756,610</u>	<u>(43,390)</u>
SALES TAXES	<u>9,458,000</u>	<u>9,458,000</u>	<u>9,139,101</u>	<u>(318,899)</u>
STATE INCOME TAXES	<u>5,500,000</u>	<u>5,500,000</u>	<u>6,214,390</u>	<u>714,390</u>
TAX TRANSFER STAMPS	<u>3,400,000</u>	<u>3,400,000</u>	<u>1,968,253</u>	<u>(1,431,747)</u>
OTHER TAXES				
Local use tax	750,000	750,000	968,466	218,466
Personal property replacement tax	675,000	675,000	798,968	123,968
Inheritance tax	200,000	200,000	169,581	(30,419)
Off track betting	100,000	100,000	91,957	(8,043)
Total Other Taxes	<u>1,725,000</u>	<u>1,725,000</u>	<u>2,028,972</u>	<u>303,972</u>
INVESTMENT INCOME				
Interest	<u>1,996,100</u>	<u>1,996,100</u>	<u>1,416,772</u>	<u>(579,328)</u>

(Continued)

County of McHenry, Illinois
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended November 30, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
MISCELLANEOUS				
General and Administrative				
Tax sale indemnity proceeds	\$ 175,000	\$ 175,000	\$ -	\$ (175,000)
Proceeds from sale of capital assets	40,000	40,000	6,462	(33,538)
Other income	<u>20,000</u>	<u>20,000</u>	<u>115,999</u>	<u>95,999</u>
Total Miscellaneous	<u>235,000</u>	<u>235,000</u>	<u>122,461</u>	<u>(112,539)</u>
TOTAL REVENUES	<u>\$ 78,681,857</u>	<u>\$ 79,319,620</u>	<u>\$ 78,103,548</u>	<u>\$ (1,216,072)</u>

(Concluded)

County of McHenry, Illinois
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended November 30, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
GENERAL AND ADMINISTRATIVE				
Administration				
Personnel services	\$ 476,462	\$ 516,104	\$ 516,103	\$ 1
Contractual services	22,632	22,132	16,379	5,753
Commodities	<u>28,720</u>	<u>28,720</u>	<u>18,450</u>	<u>10,270</u>
Total Administration	<u>527,814</u>	<u>566,956</u>	<u>550,932</u>	<u>16,024</u>
Auditor				
Personnel services	270,753	277,941	277,871	70
Contractual services	8,910	8,910	5,301	3,609
Commodities	<u>10,639</u>	<u>10,639</u>	<u>10,021</u>	<u>618</u>
Total Auditor	<u>290,302</u>	<u>297,490</u>	<u>293,193</u>	<u>4,297</u>
County Board and Liquor Commission				
Personnel services	554,357	556,076	555,712	364
Contractual services	75,532	75,532	60,833	14,699
Commodities	<u>44,350</u>	<u>44,350</u>	<u>31,641</u>	<u>12,709</u>
Total County Board and Liquor Commission	<u>674,239</u>	<u>675,958</u>	<u>648,186</u>	<u>27,772</u>
County Clerk				
Personnel services	369,988	377,666	377,666	-
Contractual services	9,095	9,795	9,792	3
Commodities	<u>11,260</u>	<u>10,560</u>	<u>7,624</u>	<u>2,936</u>
Total County Clerk	<u>390,343</u>	<u>398,021</u>	<u>395,082</u>	<u>2,939</u>
County Clerk - Elections				
Personnel services	556,368	652,818	652,817	1
Contractual services	374,950	407,829	401,015	6,814
Commodities	<u>686,786</u>	<u>405,656</u>	<u>399,956</u>	<u>5,700</u>
Total County Clerk - Elections	<u>1,618,104</u>	<u>1,466,303</u>	<u>1,453,788</u>	<u>12,515</u>
Educational Service Region				
Personnel services	163,373	170,554	170,554	-
Contractual services	30,200	30,200	26,662	3,538
Commodities	<u>13,606</u>	<u>13,606</u>	<u>6,130</u>	<u>7,476</u>
Total Educational Service Region	<u>207,179</u>	<u>214,360</u>	<u>203,346</u>	<u>11,014</u>

(Continued)

County of McHenry, Illinois
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended November 30, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
GENERAL AND ADMINISTRATIVE (Continued)				
Facilities Management				
Personnel services	\$ 971,958	\$ 1,032,288	\$ 1,032,288	\$ -
Contractual services	1,726,701	1,993,994	1,986,095	7,899
Commodities	<u>115,793</u>	<u>152,737</u>	<u>144,699</u>	<u>8,038</u>
Total Facilities Management	<u>2,814,452</u>	<u>3,179,019</u>	<u>3,163,082</u>	<u>15,937</u>
Human Resources				
Personnel services	231,184	248,087	248,087	-
Contractual services	269,130	290,637	211,088	79,549
Commodities	<u>6,250</u>	<u>6,250</u>	<u>5,161</u>	<u>1,089</u>
Total Human Resources	<u>506,564</u>	<u>544,974</u>	<u>464,336</u>	<u>80,638</u>
Information Technology				
Personnel services	1,549,140	1,481,640	1,461,684	19,956
Contractual services	1,348,879	1,437,600	1,334,622	102,978
Commodities	<u>76,477</u>	<u>77,122</u>	<u>73,072</u>	<u>4,050</u>
Total Information Technology	<u>2,974,496</u>	<u>2,996,362</u>	<u>2,869,378</u>	<u>126,984</u>
Merit Commission				
Personnel services	5,100	5,100	2,559	2,541
Contractual services	54,000	88,674	71,199	17,475
Commodities	<u>900</u>	<u>1,628</u>	<u>1,249</u>	<u>379</u>
Total Merit Commission	<u>60,000</u>	<u>95,402</u>	<u>75,007</u>	<u>20,395</u>
Purchasing				
Personnel services	251,258	251,258	239,543	11,715
Contractual services	13,330	14,420	14,173	247
Commodities	<u>361,835</u>	<u>362,735</u>	<u>360,240</u>	<u>2,495</u>
Total Purchasing	<u>626,423</u>	<u>628,413</u>	<u>613,956</u>	<u>14,457</u>
Recorder				
Personnel services	1,176,613	1,176,613	1,122,436	54,177
Contractual services	51,165	51,165	22,971	28,194
Commodities	<u>1,948,295</u>	<u>1,948,295</u>	<u>1,333,261</u>	<u>615,034</u>
Total Recorder	<u>3,176,073</u>	<u>3,176,073</u>	<u>2,478,668</u>	<u>697,405</u>
Supervisor of Assessments				
Personnel services	744,222	778,370	778,354	16
Contractual services	132,375	136,102	117,002	19,100
Commodities	<u>22,500</u>	<u>33,711</u>	<u>25,764</u>	<u>7,947</u>
Total Supervisor of Assessments	<u>899,097</u>	<u>948,183</u>	<u>921,120</u>	<u>27,063</u>

(Continued)

County of McHenry, Illinois
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended November 30, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
GENERAL AND ADMINISTRATIVE (Continued)				
Treasurer				
Personnel services	\$ 488,333	\$ 488,743	\$ 488,742	\$ 1
Contractual services	112,457	112,457	112,427	30
Commodities	8,900	8,900	8,900	-
Total Treasurer	<u>609,690</u>	<u>610,100</u>	<u>610,069</u>	<u>31</u>
Non-Departmental				
Personnel services	1,570,843	1,063,561	1,097	1,062,464
Contractual services	10,778,821	10,592,033	9,043,897	1,548,136
Commodities	200,350	70,787	-	70,787
Total Non-Departmental	<u>12,550,014</u>	<u>11,726,381</u>	<u>9,044,994</u>	<u>2,681,387</u>
Total General and Administrative	<u>27,924,790</u>	<u>27,523,995</u>	<u>23,785,137</u>	<u>3,738,858</u>
COMMUNITY DEVELOPMENT				
Planning and Development				
Personnel services	1,140,940	1,140,940	1,040,271	100,669
Contractual services	171,200	253,200	177,405	75,795
Commodities	55,131	63,331	55,876	7,455
Total Planning and Development	<u>1,367,271</u>	<u>1,457,471</u>	<u>1,273,552</u>	<u>183,919</u>
Total Community Development	<u>1,367,271</u>	<u>1,457,471</u>	<u>1,273,552</u>	<u>183,919</u>
PUBLIC SAFETY				
County Sheriff				
Personnel services	22,460,929	22,614,124	22,230,172	383,952
Contractual services	3,752,540	4,028,668	3,654,164	374,504
Commodities	685,636	1,060,491	1,007,644	52,847
Total County Sheriff	<u>26,899,105</u>	<u>27,703,283</u>	<u>26,891,980</u>	<u>811,303</u>
Emergency Management				
Personnel services	218,585	224,974	224,973	1
Contractual services	30,190	27,879	27,820	59
Commodities	14,623	36,906	27,584	9,322
Total Emergency Management	<u>263,398</u>	<u>289,759</u>	<u>280,377</u>	<u>9,382</u>

(Continued)

County of McHenry, Illinois
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended November 30, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
PUBLIC SAFETY (Continued)				
County Coroner				
Personnel services	\$ 296,075	\$ 305,502	\$ 305,501	\$ 1
Contractual services	136,075	157,654	157,494	160
Commodities	15,232	14,053	14,053	-
Total County Coroner	<u>447,382</u>	<u>477,209</u>	<u>477,048</u>	<u>161</u>
Total Public Safety	<u>27,609,885</u>	<u>28,470,251</u>	<u>27,649,405</u>	<u>820,846</u>
JUDICIARY AND COURT RELATED				
Clerk of the Circuit Court				
Personnel services	1,766,823	1,885,349	1,885,349	-
Contractual services	34,407	34,407	34,246	161
Commodities	71,328	71,328	32,158	39,170
Total Clerk of the Circuit Court	<u>1,872,558</u>	<u>1,991,084</u>	<u>1,951,753</u>	<u>39,331</u>
Court Administration				
Personnel services	465,754	482,679	480,799	1,880
Contractual services	737,048	731,680	731,023	657
Commodities	46,000	63,368	63,363	5
Total Court Administration	<u>1,248,802</u>	<u>1,277,727</u>	<u>1,275,185</u>	<u>2,542</u>
Court Services				
Personnel services	2,424,064	2,424,064	2,322,817	101,247
Contractual services	938,050	914,050	770,530	143,520
Commodities	29,055	41,055	34,635	6,420
Total Court Services	<u>3,391,169</u>	<u>3,379,169</u>	<u>3,127,982</u>	<u>251,187</u>
Public Defender				
Personnel services	836,905	889,958	888,740	1,218
Contractual services	9,500	9,500	8,296	1,204
Commodities	8,429	12,429	10,364	2,065
Total Public Defender	<u>854,834</u>	<u>911,887</u>	<u>907,400</u>	<u>4,487</u>
State's Attorney				
Personnel services	2,360,400	2,490,593	2,488,989	1,604
Contractual services	164,344	214,244	204,613	9,631
Commodities	71,432	68,532	67,598	934
Total State's Attorney	<u>2,596,176</u>	<u>2,773,369</u>	<u>2,761,200</u>	<u>12,169</u>

(Continued)

County of McHenry, Illinois
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended November 30, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
JUDICIARY AND COURT RELATED (Continued)				
Mental Health Court				
Personnel services	\$ 234,893	\$ 236,570	\$ 144,398	\$ 92,172
Contractual services	101,000	101,000	8,775	92,225
Commodities	5,550	5,550	3,340	2,210
	<u>341,443</u>	<u>343,120</u>	<u>156,513</u>	<u>186,607</u>
Total Mental Health Court				
Total Judiciary and Court Related	<u>10,304,982</u>	<u>10,676,356</u>	<u>10,180,033</u>	<u>496,323</u>
PUBLIC HEALTH AND WELFARE				
Health Department				
Personnel services	4,915,673	5,068,204	4,907,064	161,140
Contractual services	533,322	610,179	513,500	96,679
Commodities	716,750	901,102	941,404	(40,302)
	<u>6,165,745</u>	<u>6,579,485</u>	<u>6,361,968</u>	<u>217,517</u>
Total Health Department				
Total Public Health and Welfare	<u>6,165,745</u>	<u>6,579,485</u>	<u>6,361,968</u>	<u>217,517</u>
Total Expenditures - Current	<u>73,372,673</u>	<u>74,707,558</u>	<u>69,250,095</u>	<u>5,457,463</u>
CAPITAL OUTLAY	<u>3,686,847</u>	<u>9,583,338</u>	<u>8,626,176</u>	<u>957,162</u>
DEBT SERVICE				
Principal retirement	1,006,116	1,011,522	919,469	92,053
Interest and fiscal charges	52,398	52,352	52,298	54
	<u>1,058,514</u>	<u>1,063,874</u>	<u>971,767</u>	<u>92,107</u>
Total Debt Service				
TOTAL EXPENDITURES	<u>\$ 78,118,034</u>	<u>\$ 85,354,770</u>	<u>\$ 78,848,038</u>	<u>\$ 6,506,732</u>

(Concluded)

**NONMAJOR GOVERNMENTAL FUNDS -
COMBINING STATEMENTS**

County of McHenry, Illinois
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
November 30, 2008

	Special Revenue	Debt Service	Capital Projects	Permanent	Total Nonmajor Governmental Funds
ASSETS					
Cash and equivalents	\$ 62,648,987	\$ 86,840	\$ 13,776,366	\$ 821,968	\$ 77,334,161
Property taxes receivable	20,420,263	-	-	-	20,420,263
Other receivables	754,825	-	58,702	-	813,527
Due from other governments	7,952,085	-	-	-	7,952,085
Due from other funds	21,362	2,585	-	-	23,947
Inventory	32,712	-	-	-	32,712
TOTAL ASSETS	<u>\$ 91,830,234</u>	<u>\$ 89,425</u>	<u>\$ 13,835,068</u>	<u>\$ 821,968</u>	<u>\$ 106,576,695</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 3,201,547	\$ 1,795	\$ 1,300	\$ -	\$ 3,204,642
Accrued payroll	993,999	-	-	-	993,999
Deferred revenues	25,644,060	-	-	-	25,644,060
Due to other funds	312,573	-	2,637	21,400	336,610
Advance from other funds	2,524,776	-	-	-	2,524,776
Due to grantees	998,970	-	-	-	998,970
Total Liabilities	<u>33,675,925</u>	<u>1,795</u>	<u>3,937</u>	<u>21,400</u>	<u>33,703,057</u>
Fund Balances					
Reserved for encumbrances	11,124,385	-	489,859	-	11,614,244
Reserved for inventory	32,712	-	-	-	32,712
Reserved for non-current receivables	691,597	-	-	-	691,597
Reserved for grant programs	410,963	-	-	-	410,963
Reserved for debt service	-	87,630	-	-	87,630
Reserved for working cash	-	-	-	800,568	800,568
Unreserved - undesignated	45,894,652	-	13,341,272	-	59,235,924
Total Fund Balances	<u>58,154,309</u>	<u>87,630</u>	<u>13,831,131</u>	<u>800,568</u>	<u>72,873,638</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 91,830,234</u>	<u>\$ 89,425</u>	<u>\$ 13,835,068</u>	<u>\$ 821,968</u>	<u>\$ 106,576,695</u>

County of McHenry, Illinois
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended November 30, 2008

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Permanent</u>	<u>Total Nonmajor Governmental Funds</u>
REVENUES					
Charges for services	\$ 3,978,483	\$ -	\$ -	\$ -	\$ 3,978,483
Licenses and permits	88,061	-	-	-	88,061
Fines and forfeitures	22,688	-	-	-	22,688
Grants, contributions, and intergovernmental	10,508,643	-	-	-	10,508,643
Property taxes	18,636,296	-	-	-	18,636,296
Sales taxes	5,253,285	-	-	-	5,253,285
Other taxes	144,885	-	-	-	144,885
Investment income	1,376,515	6,078	1,100,762	21,400	2,504,755
Miscellaneous	238,582	-	-	-	238,582
Total Revenues	<u>40,247,438</u>	<u>6,078</u>	<u>1,100,762</u>	<u>21,400</u>	<u>41,375,678</u>
EXPENDITURES					
Current					
General and administrative	2,508,680	13,704	65,549	-	2,587,933
Community development	890,387	-	-	-	890,387
Transportation	9,568,847	-	-	-	9,568,847
Public safety	3,845,707	-	-	-	3,845,707
Judiciary and court related	5,611,460	-	-	-	5,611,460
Public health and welfare	10,415,332	-	-	-	10,415,332
Capital outlay	9,099,696	-	1,220,834	-	10,320,530
Debt service					
Principal retirement	57,081	6,822,376	-	-	6,879,457
Interest and fiscal charges	-	3,455,610	-	-	3,455,610
Total Expenditures	<u>41,997,190</u>	<u>10,291,690</u>	<u>1,286,383</u>	<u>-</u>	<u>53,575,263</u>
Excess (deficiency) of revenues over expenditures	<u>(1,749,752)</u>	<u>(10,285,612)</u>	<u>(185,621)</u>	<u>21,400</u>	<u>(12,199,585)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	11,039,487	10,225,296	-	-	21,264,783
Transfers out	(629,480)	-	(19,852,678)	(21,400)	(20,503,558)
Capital leases issued	165,409	-	-	-	165,409
Total Other Financing Sources (Uses)	<u>10,575,416</u>	<u>10,225,296</u>	<u>(19,852,678)</u>	<u>(21,400)</u>	<u>926,634</u>
Net Change in Fund Balances	8,825,664	(60,316)	(20,038,299)	-	(11,272,951)
Fund Balances - Beginning of Year	<u>49,328,645</u>	<u>147,946</u>	<u>33,869,430</u>	<u>800,568</u>	<u>84,146,589</u>
Fund Balances - End of Year	<u>\$ 58,154,309</u>	<u>\$ 87,630</u>	<u>\$ 13,831,131</u>	<u>\$ 800,568</u>	<u>\$ 72,873,638</u>

NONMAJOR SPECIAL REVENUE FUNDS

Veterans' Assistance Commission Bus Fund – to account for expenditures related to the purchase of buses used to transport veterans.

Veterans' Assistance Commission Fund – to account for expenditures to assist veterans. Revenue is from property taxes.

Illinois Municipal Retirement Fund – To account for expenditures for municipal retirement expenses for the County's employees. Revenue is primarily from property taxes.

Social Security Fund – to account for expenditures related to Social Security payments to the United States government. Revenue is from property taxes.

Highway Department Relocation Fund – to account for all expenditures and funds received on deposit for the sale of property and relocation of the Highway Department.

County Highway Fund – to account for expenditures for highway maintenance and construction. Revenues are from property taxes and charges for services.

Matching Fund – to account for expenditures for road construction. Revenue is from property taxes.

County Bridge Fund – to account for expenditures to construct and maintain County bridges. Revenue is from property taxes.

County Option Motor Fuel Tax Fund – To account for the collection of an optional gasoline tax to be used for road maintenance and repair.

Tuberculosis Care and Treatment Fund – to account for expenditures for the administration of the tuberculosis care program. Revenue is from property taxes.

Maintenance and Child Support Collection Fund – to account for fees charged to obligors to process child support payments.

County Clerk Automation Fund – to account for fees collected to be used for the automation of the County Clerk's Office.

Recorder Automation Fund – to account for Recorder's automation fees to be used to improve the capabilities of the Recorder's office through the application of new technology.

Animal Shelter Fund – to account for expenditures for the maintenance of the animal shelter. Revenue is from contracts with various municipalities.

County Treasurer Automation Fund – to account for the collection of a fee for the upgrading of equipment and programs necessary to assist in the collection and distribution of taxes. The funds are also used for advanced recordkeeping and to microfiche all office records.

Workforce Network Fund – to account for funds received under the Workforce Investment Act (WIA) used for various employment and training programs and services, which help eligible individuals become economically self-sufficient.

Law Library Fund – to account for the operations of the law library. Revenues are from a fee charged on civil court cases.

Mental Health Capital Development Fund – to account for a loan returned to the Department of Mental Health by Memorial Hospital.

Mental Health Grant Fund – to account for funds made available through the Title XX and Community Services Block Grant programs and various other grant programs through the Illinois Departments of Human Services and Children and Family Services.

Circuit Court Document Storage Fund – to account for the collection of document storage fees to be used to establish and maintain a document storage system in the office of the Clerk of the Circuit Court.

Probation Service Fee Fund – to account for probation service fees collected from persons sentenced to probation.

CDBG/HOME Fund – to account for funds received from the U.S. Department of Housing and Urban Development for Community Development Block Grants (CDBG) and Home Investment Partnership Program (HOME) funds to be used to assist communities in meeting their greatest economic and community development needs, with an emphasis upon persons with low to moderate income.

Dental Care Clinic Fund – to account for funds used in the operation of the County Dental Care Clinic.

Circuit Court Automation Fund – to account for the collection of court automation fees to be used to establish and maintain automated recordkeeping systems of the Clerk of the Circuit Court.

Illinois Criminal Justice Authority Fund – to account for funds used in the Multi-Jurisdictional Drug Prosecution Program. This program is designed to prosecute all felony narcotics cases, including any correlative forfeiture actions.

Circuit Court Admin Fund – to account for fees that are restricted to the Circuit Clerk's Office.

EMDT Fund – to account for funds used for the purpose of providing drug and alcohol testing along with electronic monitoring services.

Treasurer's Passport Services Fund – to account for the collection of fees and processing of passport applications in the Treasurer's Office.

Prairie Shield Grant Fund - to account for a grant received from the Illinois Emergency Management Agency for the acquisition of interoperable communication equipment.

DUI Conviction Fund – to account for DUI conviction fines allocated to the County by the Illinois vehicle code to be used for the procurement of law enforcement equipment.

Geographic Information Systems Fund – to account for the collection of fees to be used for the implementation and maintenance of the County's Geographic Information System.

Revolving Loan Fund – to account for monies received from the State of Illinois for community development loans under the Community Development Block Grant Program. The principal and interest repaid on these loans is kept by the County and used to make new community development loans.

Health Scholarship Fund – to account for monies donated for use by the County Board and the Health Department for support of a Public Health Scholarship and research activities.

Senior Services Fund – to account for the revenues and expenditures of the social services – senior citizens tax levy.

RTA Sales Tax Fund – to account for the collection of a sales tax, which is restricted for use on transportation and public safety programs.

County of McHenry, Illinois
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
November 30, 2008

	Veterans' Assistance Commission Bus Fund	Veterans' Assistance Commission Fund	Illinois Municipal Retirement Fund	Social Security Fund
ASSETS				
Cash and equivalents	\$ 6,376	\$ 1,160,494	\$ 6,934,598	\$ 4,308,916
Property taxes receivable	-	569,537	4,063,637	2,529,997
Other receivables	-	-	-	-
Due from other governments	-	-	-	-
Due from other funds	-	-	1,360	502
Inventory	-	-	-	-
	-	-	-	-
TOTAL ASSETS	\$ 6,376	\$ 1,730,031	\$ 10,999,595	\$ 6,839,415
LIABILITIES AND FUND BALANCES (DEFICIT)				
Liabilities				
Accounts payable	\$ -	\$ 3,082	\$ -	\$ -
Accrued payroll	-	4,018	785,918	66,704
Deferred revenues	-	560,000	4,000,000	2,500,000
Due to other funds	-	2,321	-	-
Advance from other funds	-	-	-	-
Due to grantees	-	-	-	-
	-	-	-	-
Total Liabilities	-	569,421	4,785,918	2,566,704
Fund Balances (Deficit)				
Reserved for encumbrances	-	17,752	-	-
Reserved for inventory	-	-	-	-
Reserved for non-current receivables	-	-	-	-
Reserved for grant programs	-	17,406	-	-
Unreserved - undesignated	6,376	1,125,452	6,213,677	4,272,711
	6,376	1,125,452	6,213,677	4,272,711
Total Fund Balances (Deficit)	6,376	1,160,610	6,213,677	4,272,711
TOTAL LIABILITIES AND FUND BALANCES (DEFICIT)	\$ 6,376	\$ 1,730,031	\$ 10,999,595	\$ 6,839,415

Highway Department Relocation Fund	County Highway Fund	Matching Fund	County Bridge Fund	County Option Motor Fuel Tax Fund	Tuberculosis Care and Treatment Fund
\$ 203,573	\$ 4,666,936	\$ 12,409,510	\$ 2,667,914	\$ 15,358,113	\$ 162,287
-	6,469,385	3,559,648	1,016,993	-	405,722
1,123	52,444	5,366	-	-	-
-	11,111	-	411,187	1,838,467	-
-	-	-	-	-	-
-	31,692	-	-	-	-
<u>\$ 204,696</u>	<u>\$ 11,231,568</u>	<u>\$ 15,974,524</u>	<u>\$ 4,096,094</u>	<u>\$ 17,196,580</u>	<u>\$ 568,009</u>

\$ -	\$ 57,757	\$ 122,497	\$ 263,235	\$ 1,955,771	\$ 2,184
-	70,774	-	-	-	3,812
-	6,369,940	3,500,000	1,411,187	1,582,922	400,000
-	145,284	-	-	-	7,266
-	-	-	-	-	-
-	-	-	-	-	-
-	6,643,755	3,622,497	1,674,422	3,538,693	413,262
-	759,995	3,246,254	713,448	6,148,084	-
-	31,692	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>204,696</u>	<u>3,796,126</u>	<u>9,105,773</u>	<u>1,708,224</u>	<u>7,509,803</u>	<u>154,747</u>
<u>204,696</u>	<u>4,587,813</u>	<u>12,352,027</u>	<u>2,421,672</u>	<u>13,657,887</u>	<u>154,747</u>
<u>\$ 204,696</u>	<u>\$ 11,231,568</u>	<u>\$ 15,974,524</u>	<u>\$ 4,096,094</u>	<u>\$ 17,196,580</u>	<u>\$ 568,009</u>

(Continued)

County of McHenry, Illinois
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
November 30, 2008

	Maintenance and Child Support Collection Fund	County Clerk Automation Fund	Recorder Automation Fund	Animal Shelter Fund
ASSETS				
Cash and equivalents	\$ 342,526	\$ 96,740	\$ 427,255	\$ 17,646
Property taxes receivable	-	-	-	-
Other receivables	-	-	429	-
Due from other governments	-	-	-	-
Due from other funds	-	-	-	-
Inventory	-	-	-	-
TOTAL ASSETS	\$ 342,526	\$ 96,740	\$ 427,684	\$ 17,646
LIABILITIES AND FUND BALANCES (DEFICIT)				
Liabilities				
Accounts payable	\$ -	\$ -	\$ 33,001	\$ -
Accrued payroll	2,455	-	3,527	-
Deferred revenues	-	-	429	-
Due to other funds	1,382	-	34,679	-
Advance from other funds	-	-	-	-
Due to grantees	-	-	-	-
Total Liabilities	3,837	-	71,636	-
Fund Balances (Deficit)				
Reserved for encumbrances	-	-	49,095	-
Reserved for inventory	-	-	-	-
Reserved for non-current receivables	-	-	-	-
Reserved for grant programs	-	-	-	-
Unreserved - undesignated	338,689	96,740	306,953	17,646
Total Fund Balances (Deficit)	338,689	96,740	356,048	17,646
TOTAL LIABILITIES AND FUND BALANCES (DEFICIT)	\$ 342,526	\$ 96,740	\$ 427,684	\$ 17,646

County Treasurer Automation Fund	Workforce Network Fund	Law Library Fund	Mental Health Capital Development Fund	Mental Health Grant Fund	Circuit Court Document Storage Fund
\$ 424,088	\$ 124,901	\$ 260,089	\$ 425,300	\$ 254,466	\$ 998,252
-	-	-	-	-	-
-	-	-	-	-	-
-	1,226,172	-	-	2,162,693	-
-	-	-	19,500	-	-
-	-	-	-	1,020	-
<u>\$ 424,088</u>	<u>\$ 1,351,073</u>	<u>\$ 260,089</u>	<u>\$ 444,800</u>	<u>\$ 2,418,179</u>	<u>\$ 998,252</u>
\$ 13,774	\$ 88,997	\$ 9,844	\$ -	\$ 239,302	\$ 90
64	16,647	-	-	17,629	3,644
-	925,172	-	-	1,852,902	-
-	39,854	-	-	47,461	-
-	-	-	-	-	1,387,388
-	-	-	-	484,430	-
<u>13,838</u>	<u>1,070,670</u>	<u>9,844</u>	<u>-</u>	<u>2,641,724</u>	<u>1,391,122</u>
7,770	-	-	-	-	11,500
-	-	-	-	1,020	-
-	-	-	-	-	-
-	177,085	-	-	216,472	-
<u>402,480</u>	<u>103,318</u>	<u>250,245</u>	<u>444,800</u>	<u>(441,037)</u>	<u>(404,370)</u>
<u>410,250</u>	<u>280,403</u>	<u>250,245</u>	<u>444,800</u>	<u>(223,545)</u>	<u>(392,870)</u>
<u>\$ 424,088</u>	<u>\$ 1,351,073</u>	<u>\$ 260,089</u>	<u>\$ 444,800</u>	<u>\$ 2,418,179</u>	<u>\$ 998,252</u>

(Continued)

County of McHenry, Illinois
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
November 30, 2008

	<u>Probation Service Fee Fund</u>	<u>CDBG/ HOME Fund</u>	<u>Dental Care Clinic Fund</u>	<u>Circuit Court Automation Fund</u>
ASSETS				
Cash and equivalents	\$ 1,002,993	\$ 91,349	\$ 341,403	\$ 437,749
Property taxes receivable	-	-	-	-
Other receivables	-	-	-	-
Due from other governments	-	114,014	-	-
Due from other funds	-	-	-	-
Inventory	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 1,002,993</u>	<u>\$ 205,363</u>	<u>\$ 341,403</u>	<u>\$ 437,749</u>
LIABILITIES AND FUND BALANCES (DEFICIT)				
Liabilities				
Accounts payable	\$ 8,994	\$ 108,860	\$ 5,967	\$ 33,581
Accrued payroll	-	2,425	4,446	4,508
Deferred revenues	-	24,642	-	-
Due to other funds	10,400	699	3,653	2,238
Advance from other funds	-	-	-	1,137,388
Due to grantees	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>19,394</u>	<u>136,626</u>	<u>14,066</u>	<u>1,177,715</u>
Fund Balances (Deficit)				
Reserved for encumbrances	-	6,022	-	40,312
Reserved for inventory	-	-	-	-
Reserved for non-current receivables	-	-	-	-
Reserved for grant programs	-	-	-	-
Unreserved - undesignated	983,599	62,715	327,337	(780,278)
	<u>983,599</u>	<u>62,715</u>	<u>327,337</u>	<u>(780,278)</u>
Total Fund Balances (Deficit)	<u>983,599</u>	<u>68,737</u>	<u>327,337</u>	<u>(739,966)</u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICIT)	<u>\$ 1,002,993</u>	<u>\$ 205,363</u>	<u>\$ 341,403</u>	<u>\$ 437,749</u>

Illinois Criminal Justice Authority Fund	Circuit Court Admin Fund	EMDT Fund	Treasurer's Passport Services Fund	Prairie Shield Grant Fund	DUI Conviction Fund
\$ 9,469	\$ 132,983	\$ 42,350	\$ 4,736	\$ 518,087	\$ 26,195
-	-	-	-	-	-
-	-	-	-	-	-
12,394	-	-	-	26,549	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>21,863</u>	<u>132,983</u>	<u>42,350</u>	<u>4,736</u>	<u>544,636</u>	<u>26,195</u>
\$ -	\$ -	\$ -	\$ 8,924	\$ 26,549	\$ -
-	-	-	182	-	-
-	-	-	-	-	-
-	-	12,767	-	-	-
-	-	-	-	-	-
-	-	-	-	514,540	-
-	-	<u>12,767</u>	<u>9,106</u>	<u>541,089</u>	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
21,863	132,983	29,583	(4,370)	3,547	26,195
<u>21,863</u>	<u>132,983</u>	<u>29,583</u>	<u>(4,370)</u>	<u>3,547</u>	<u>26,195</u>
<u>21,863</u>	<u>132,983</u>	<u>42,350</u>	<u>4,736</u>	<u>544,636</u>	<u>26,195</u>

(Continued)

County of McHenry, Illinois
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
November 30, 2008

	<u>Geographic Information Systems Fund</u>	<u>Revolving Loan Fund</u>	<u>Health Scholarship Fund</u>	<u>Senior Services Fund</u>
ASSETS				
Cash and equivalents	\$ 1,061,651	\$ 883,969	\$ 7,220	\$ 2,994,669
Property taxes receivable	-	-	-	1,805,344
Other receivables	-	695,463	-	-
Due from other governments	-	-	-	-
Due from other funds	-	-	-	-
Inventory	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 1,061,651</u>	<u>\$ 1,579,432</u>	<u>\$ 7,220</u>	<u>\$ 4,800,013</u>
LIABILITIES AND FUND BALANCES (DEFICIT)				
Liabilities				
Accounts payable	\$ 173	\$ -	\$ 500	\$ 218,465
Accrued payroll	7,246	-	-	-
Deferred revenues	-	3,866	-	1,775,000
Due to other funds	4,569	-	-	-
Advance from other funds	-	-	-	-
Due to grantees	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>11,988</u>	<u>3,866</u>	<u>500</u>	<u>1,993,465</u>
Fund Balances (Deficit)				
Reserved for encumbrances	124,153	-	-	-
Reserved for inventory	-	-	-	-
Reserved for non-current receivables	-	691,597	-	-
Reserved for grant programs	-	-	-	-
Unreserved - undesignated	925,510	883,969	6,720	2,806,548
	<u>925,510</u>	<u>883,969</u>	<u>6,720</u>	<u>2,806,548</u>
Total Fund Balances (Deficit)	<u>1,049,663</u>	<u>1,575,566</u>	<u>6,720</u>	<u>2,806,548</u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICIT)	<u>\$ 1,061,651</u>	<u>\$ 1,579,432</u>	<u>\$ 7,220</u>	<u>\$ 4,800,013</u>

RTA Sales Tax Fund	Totals
\$ 3,844,184	\$ 62,648,987
-	20,420,263
-	754,825
2,149,498	7,952,085
-	21,362
-	32,712
\$ 5,993,682	\$ 91,830,234

\$ -	\$ 3,201,547
-	993,999
738,000	25,644,060
-	312,573
-	2,524,776
-	998,970
738,000	33,675,925

-	11,124,385
-	32,712
-	691,597
-	410,963
5,255,682	45,894,652
5,255,682	58,154,309
\$ 5,993,682	\$ 91,830,234

(Concluded)

County of McHenry, Illinois
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended November 30, 2008

	Veterans' Assistance Commission Bus Fund	Veterans' Assistance Commission Fund	Illinois Municipal Retirement Fund	Social Security Fund
REVENUES				
Charges for services	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Grants, contributions, and intergovernmental	-	35,000	-	-
Property taxes	-	554,976	3,703,050	1,745,556
Sales taxes	-	-	-	-
Other taxes	-	-	144,885	-
Investment income	145	167	187,018	127,483
Miscellaneous	-	2,574	-	-
Total Revenues	145	592,717	4,034,953	1,873,039
EXPENDITURES				
Current				
General and administrative	-	-	654,685	478,730
Community development	-	-	85,493	63,960
Transportation	-	-	246,289	179,900
Public safety	-	-	2,360,829	1,300,759
Judiciary and court related	-	-	724,884	523,593
Public health and welfare	55	517,168	890,038	696,947
Capital outlay	-	40,000	-	-
Debt service				
Principal retirement	-	-	-	-
Total Expenditures	55	557,168	4,962,218	3,243,889
Excess (deficiency) of revenues over expenditures	90	35,549	(927,265)	(1,370,850)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Capital leases issued	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	90	35,549	(927,265)	(1,370,850)
Fund Balances - Beginning of Year	6,286	1,125,061	7,140,942	5,643,561
Fund Balances (Deficit) - End of Year	\$ 6,376	\$ 1,160,610	\$ 6,213,677	\$ 4,272,711

Highway Department Relocation Fund	County Highway Fund	Matching Fund	County Bridge Fund	County Option Motor Fuel Tax Fund	Tuberculosis Care and Treatment Fund
\$ -	\$ 8,904	\$ -	\$ -	\$ -	\$ 18,283
-	88,061	-	-	-	-
-	-	-	-	-	-
-	165,507	-	28,217	4,959,781	-
-	6,074,227	3,470,937	988,834	-	332,985
-	-	-	-	-	-
-	-	-	-	-	-
13,239	90,992	270,202	54,618	331,623	2,300
-	93,636	-	-	-	-
<u>13,239</u>	<u>6,521,327</u>	<u>3,741,139</u>	<u>1,071,669</u>	<u>5,291,404</u>	<u>353,568</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	5,441,775	-	554,530	3,146,353	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	284,008
-	539,740	512,360	12,000	7,375,035	-
-	-	-	-	-	-
<u>-</u>	<u>5,981,515</u>	<u>512,360</u>	<u>566,530</u>	<u>10,521,388</u>	<u>284,008</u>
<u>13,239</u>	<u>539,812</u>	<u>3,228,779</u>	<u>505,139</u>	<u>(5,229,984)</u>	<u>69,560</u>
-	-	670,154	258,880	8,548,272	-
(447,706)	(79,007)	-	-	-	-
-	-	-	-	-	-
<u>(447,706)</u>	<u>(79,007)</u>	<u>670,154</u>	<u>258,880</u>	<u>8,548,272</u>	<u>-</u>
(434,467)	460,805	3,898,933	764,019	3,318,288	69,560
<u>639,163</u>	<u>4,127,008</u>	<u>8,453,094</u>	<u>1,657,653</u>	<u>10,339,599</u>	<u>85,187</u>
<u>\$ 204,696</u>	<u>\$ 4,587,813</u>	<u>\$ 12,352,027</u>	<u>\$ 2,421,672</u>	<u>\$ 13,657,887</u>	<u>\$ 154,747</u>

(Continued)

County of McHenry, Illinois
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended November 30, 2008

	Maintenance and Child Support Collection Fund	County Clerk Automation Fund	Recorder Automation Fund	Animal Shelter Fund
REVENUES				
Charges for services	\$ 154,937	\$ 13,857	\$ 716,606	\$ 10,002
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Grants, contributions, and intergovernmental	-	-	-	-
Property taxes	-	-	-	-
Sales taxes	-	-	-	-
Other taxes	-	-	-	-
Investment income	8,720	2,761	10,452	532
Miscellaneous	-	-	-	-
	<u>163,657</u>	<u>16,618</u>	<u>727,058</u>	<u>10,534</u>
Total Revenues				
EXPENDITURES				
Current				
General and administrative	-	4,642	581,684	-
Community development	-	-	-	-
Transportation	-	-	-	-
Public safety	-	-	-	-
Judiciary and court related	144,325	-	-	-
Public health and welfare	-	-	-	9,259
Capital outlay	-	15,564	182,204	-
Debt service				
Principal retirement	-	-	43,156	-
	<u>144,325</u>	<u>20,206</u>	<u>807,044</u>	<u>9,259</u>
Total Expenditures				
Excess (deficiency) of revenues over expenditures	<u>19,332</u>	<u>(3,588)</u>	<u>(79,986)</u>	<u>1,275</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Capital leases issued	-	-	165,409	-
	<u>-</u>	<u>-</u>	<u>165,409</u>	<u>-</u>
Total Other Financing Sources (Uses)				
Net Change in Fund Balances	19,332	(3,588)	85,423	1,275
Fund Balances - Beginning of Year	<u>319,357</u>	<u>100,328</u>	<u>270,625</u>	<u>16,371</u>
Fund Balances (Deficit) - End of Year	<u>\$ 338,689</u>	<u>\$ 96,740</u>	<u>\$ 356,048</u>	<u>\$ 17,646</u>

County Treasurer Automation Fund	Workforce Network Fund	Law Library Fund	Mental Health Capital Development Fund	Mental Health Grant Fund	Circuit Court Document Storage Fund
\$ 58,843	\$ -	\$ 197,157	\$ -	\$ -	\$ 787,755
-	-	-	-	-	-
-	-	-	-	-	-
-	1,769,898	-	-	2,150,353	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
11,331	6,429	5,878	6,246	2,890	24,713
-	136,817	-	-	3,305	-
<u>70,174</u>	<u>1,913,144</u>	<u>203,035</u>	<u>6,246</u>	<u>2,156,548</u>	<u>812,468</u>
54,306	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	131,179	-	-	1,856,724
-	2,086,241	-	-	4,041,767	-
-	990	-	-	171,956	-
-	13,925	-	-	-	-
<u>54,306</u>	<u>2,101,156</u>	<u>131,179</u>	<u>-</u>	<u>4,213,723</u>	<u>1,856,724</u>
<u>15,868</u>	<u>(188,012)</u>	<u>71,856</u>	<u>6,246</u>	<u>(2,057,175)</u>	<u>(1,044,256)</u>
-	-	-	90,000	1,472,181	-
-	-	-	(90,000)	-	-
-	-	-	-	-	-
-	-	-	-	1,472,181	-
15,868	(188,012)	71,856	6,246	(584,994)	(1,044,256)
<u>394,382</u>	<u>468,415</u>	<u>178,389</u>	<u>438,554</u>	<u>361,449</u>	<u>651,386</u>
<u>\$ 410,250</u>	<u>\$ 280,403</u>	<u>\$ 250,245</u>	<u>\$ 444,800</u>	<u>\$ (223,545)</u>	<u>\$ (392,870)</u>

(Continued)

County of McHenry, Illinois
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended November 30, 2008

	Probation Service Fee Fund	CDBG/ HOME Fund	Dental Care Clinic Fund	Circuit Court Automation Fund
REVENUES				
Charges for services	\$ 344,248	\$ -	\$ 61,202	\$ 847,920
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Grants, contributions, and intergovernmental	-	635,904	489,191	-
Property taxes	-	-	-	-
Sales taxes	-	-	-	-
Other taxes	-	-	-	-
Investment income	24,537	-	6,708	18,080
Miscellaneous	1,850	-	-	-
	<u>370,635</u>	<u>635,904</u>	<u>557,101</u>	<u>866,000</u>
Total Revenues				
EXPENDITURES				
Current				
General and administrative	-	-	-	-
Community development	-	662,332	-	-
Transportation	-	-	-	-
Public safety	-	-	-	-
Judiciary and court related	287,770	-	-	1,859,591
Public health and welfare	-	-	343,864	-
Capital outlay	41,616	-	-	208,231
Debt service				
Principal retirement	-	-	-	-
	<u>329,386</u>	<u>662,332</u>	<u>343,864</u>	<u>2,067,822</u>
Total Expenditures				
Excess (deficiency) of revenues over expenditures	<u>41,249</u>	<u>(26,428)</u>	<u>213,237</u>	<u>(1,201,822)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Capital leases issued	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)				
Net Change in Fund Balances	41,249	(26,428)	213,237	(1,201,822)
Fund Balances - Beginning of Year	<u>942,350</u>	<u>95,165</u>	<u>114,100</u>	<u>461,856</u>
Fund Balances (Deficit) - End of Year	<u>\$ 983,599</u>	<u>\$ 68,737</u>	<u>\$ 327,337</u>	<u>\$ (739,966)</u>

Illinois Criminal Justice Authority Fund	Circuit Court Admin Fund	EMDT Fund	Treasurer's Passport Services Fund	Prairie Shield Grant Fund	DUI Conviction Fund
\$ -	\$ 82,676	\$ 12,767	\$ 17,878	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	22,688
104,243	-	-	-	170,549	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
458	2,176	-	3,708	3,547	-
-	-	-	-	-	-
<u>104,701</u>	<u>84,852</u>	<u>12,767</u>	<u>21,586</u>	<u>174,096</u>	<u>22,688</u>
-	-	-	134,702	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	170,549	13,570
83,394	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>83,394</u>	<u>-</u>	<u>-</u>	<u>134,702</u>	<u>170,549</u>	<u>13,570</u>
<u>21,307</u>	<u>84,852</u>	<u>12,767</u>	<u>(113,116)</u>	<u>3,547</u>	<u>9,118</u>
-	-	-	-	-	-
-	-	(12,767)	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>(12,767)</u>	<u>-</u>	<u>-</u>	<u>-</u>
21,307	84,852	-	(113,116)	3,547	9,118
<u>556</u>	<u>48,131</u>	<u>29,583</u>	<u>108,746</u>	<u>-</u>	<u>17,077</u>
<u>\$ 21,863</u>	<u>\$ 132,983</u>	<u>\$ 29,583</u>	<u>\$ (4,370)</u>	<u>\$ 3,547</u>	<u>\$ 26,195</u>

(Continued)

County of McHenry, Illinois
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended November 30, 2008

	Geographic Information Systems Fund	Revolving Loan Fund	Health Scholarship Fund	Senior Services Fund
REVENUES				
Charges for services	\$ 645,448	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Grants, contributions, and intergovernmental	-	-	-	-
Property taxes	-	-	-	1,765,731
Sales taxes	-	-	-	-
Other taxes	-	-	-	-
Investment income	26,556	62,424	179	68,006
Miscellaneous	-	400	-	-
Total Revenues	672,004	62,824	179	1,833,737
EXPENDITURES				
Current				
General and administrative	599,931	-	-	-
Community development	-	78,602	-	-
Transportation	-	-	-	-
Public safety	-	-	-	-
Judiciary and court related	-	-	-	-
Public health and welfare	-	-	-	1,545,985
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Principal retirement	-	-	-	-
Total Expenditures	599,931	78,602	-	1,545,985
Excess (deficiency) of revenues over expenditures	72,073	(15,778)	179	287,752
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Capital leases issued	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	72,073	(15,778)	179	287,752
Fund Balances - Beginning of Year	977,590	1,591,344	6,541	2,518,796
Fund Balances (Deficit) - End of Year	<u>\$ 1,049,663</u>	<u>\$ 1,575,566</u>	<u>\$ 6,720</u>	<u>\$ 2,806,548</u>

RTA Sales Tax Fund	Totals
\$ -	\$ 3,978,483
-	88,061
-	22,688
-	10,508,643
-	18,636,296
5,253,285	5,253,285
-	144,885
2,397	1,376,515
-	238,582
<u>5,255,682</u>	<u>40,247,438</u>
-	2,508,680
-	890,387
-	9,568,847
-	3,845,707
-	5,611,460
-	10,415,332
-	9,099,696
-	<u>57,081</u>
-	<u>41,997,190</u>
<u>5,255,682</u>	<u>(1,749,752)</u>
-	11,039,487
-	(629,480)
-	<u>165,409</u>
-	<u>10,575,416</u>
5,255,682	8,825,664
-	<u>49,328,645</u>
<u>\$ 5,255,682</u>	<u>\$ 58,154,309</u>

(Concluded)

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
VETERANS' ASSISTANCE COMMISSION BUS FUND
For the Year Ended November 30, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Investment income	\$ 250	\$ 250	\$ 145	\$ (105)
EXPENDITURES				
Current				
Public health and welfare				
Contractual services	1,000	1,000	55	945
Commodities	<u>550</u>	<u>550</u>	<u>-</u>	<u>550</u>
Total Expenditures	<u>1,550</u>	<u>1,550</u>	<u>55</u>	<u>1,495</u>
Net Change in Fund Balance	<u>\$ (1,300)</u>	<u>\$ (1,300)</u>	90	<u>\$ 1,390</u>
Fund Balance - Beginning of Year			<u>6,286</u>	
Fund Balance - End of Year			<u>\$ 6,376</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
VETERANS' ASSISTANCE COMMISSION FUND
For the Year Ended November 30, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Grants, contributions, and intergovernmental	\$ -	\$ 35,000	\$ 35,000	\$ -
Property taxes	550,000	550,000	554,976	4,976
Investment income	100	100	167	67
Miscellaneous	<u>1,000</u>	<u>1,000</u>	<u>2,574</u>	<u>1,574</u>
Total Revenues	<u>551,100</u>	<u>586,100</u>	<u>592,717</u>	<u>6,617</u>
EXPENDITURES				
Current				
Public health and welfare				
Personnel services	236,253	253,439	214,394	39,045
Contractual services	228,483	291,825	272,695	19,130
Commodities	33,896	33,656	30,079	3,577
Capital outlay	<u>-</u>	<u>40,000</u>	<u>40,000</u>	<u>-</u>
Total Expenditures	<u>498,632</u>	<u>618,920</u>	<u>557,168</u>	<u>61,752</u>
Net Change in Fund Balance	<u>\$ 52,468</u>	<u>\$ (32,820)</u>	35,549	<u>\$ 68,369</u>
Fund Balance - Beginning of Year			<u>1,125,061</u>	
Fund Balance - End of Year			<u>\$ 1,160,610</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ILLINOIS MUNICIPAL RETIREMENT FUND
For the Year Ended November 30, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Property taxes	\$ 3,750,000	\$ 3,750,000	\$ 3,703,050	\$ (46,950)
Other taxes				
Personal property replacement tax	60,000	60,000	144,885	84,885
Investment income	<u>277,000</u>	<u>277,000</u>	<u>187,018</u>	<u>(89,982)</u>
 Total Revenues	 <u>4,087,000</u>	 <u>4,087,000</u>	 <u>4,034,953</u>	 <u>(52,047)</u>
EXPENDITURES				
Current				
Personnel services				
General and administrative	694,233	694,233	654,685	39,548
Community development	90,657	90,657	85,493	5,164
Transportation	261,167	261,167	246,289	14,878
Public safety	2,503,440	2,503,440	2,360,829	142,611
Judiciary and court related	768,672	768,672	724,884	43,788
Public health and welfare	<u>943,803</u>	<u>943,803</u>	<u>890,038</u>	<u>53,765</u>
 Total Expenditures	 <u>5,261,972</u>	 <u>5,261,972</u>	 <u>4,962,218</u>	 <u>299,754</u>
 Net Change in Fund Balance	 <u>\$ (1,174,972)</u>	 <u>\$ (1,174,972)</u>	 (927,265)	 <u>\$ 247,707</u>
 Fund Balance - Beginning of Year			 <u>7,140,942</u>	
 Fund Balance - End of Year			 <u>\$ 6,213,677</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SOCIAL SECURITY FUND
For the Year Ended November 30, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Property taxes	\$ 1,750,000	\$ 1,750,000	\$ 1,745,556	\$ (4,444)
Investment income	<u>177,000</u>	<u>177,000</u>	<u>127,483</u>	<u>(49,517)</u>
Total Revenues	<u>1,927,000</u>	<u>1,927,000</u>	<u>1,873,039</u>	<u>(53,961)</u>
EXPENDITURES				
Current				
Personnel services				
General and administrative	538,156	538,156	478,730	59,426
Community development	71,900	71,900	63,960	7,940
Transportation	202,231	202,231	179,900	22,331
Public safety	1,462,226	1,462,226	1,300,759	161,467
Judiciary and court related	588,588	588,588	523,593	64,995
Public health and welfare	<u>783,461</u>	<u>783,461</u>	<u>696,947</u>	<u>86,514</u>
Total Expenditures	<u>3,646,562</u>	<u>3,646,562</u>	<u>3,243,889</u>	<u>402,673</u>
Net Change in Fund Balance	<u>\$ (1,719,562)</u>	<u>\$ (1,719,562)</u>	(1,370,850)	<u>\$ 348,712</u>
Fund Balance - Beginning of Year			<u>5,643,561</u>	
Fund Balance - End of Year			<u>\$ 4,272,711</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
HIGHWAY DEPARTMENT RELOCATION FUND
For the Year Ended November 30, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Investment income	\$ 33,500	\$ 33,500	\$ 13,239	\$ (20,261)
EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	33,500	33,500	13,239	(20,261)
OTHER FINANCING USES				
Transfers out	<u>(447,706)</u>	<u>(447,706)</u>	<u>(447,706)</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ (414,206)</u>	<u>\$ (414,206)</u>	(434,467)	<u>\$ (20,261)</u>
Fund Balance - Beginning of Year			<u>639,163</u>	
Fund Balance - End of Year			<u>\$ 204,696</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
COUNTY HIGHWAY FUND
For the Year Ended November 30, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Charges for services	\$ 7,000	\$ 7,000	\$ 8,904	\$ 1,904
Licenses and permits	120,000	120,000	88,061	(31,939)
Grants, contributions, and intergovernmental	77,864	77,864	165,507	87,643
Property taxes	6,140,000	6,140,000	6,074,227	(65,773)
Investment income	122,000	122,000	90,992	(31,008)
Miscellaneous	90,000	90,000	93,636	3,636
Total Revenues	<u>6,556,864</u>	<u>6,556,864</u>	<u>6,521,327</u>	<u>(35,537)</u>
EXPENDITURES				
Current				
Transportation				
Personnel services	4,202,564	4,292,564	4,169,295	123,269
Contractual services	563,712	619,748	498,749	120,999
Commodities	665,150	897,413	773,731	123,682
Capital outlay	730,000	1,263,865	539,740	724,125
Total Expenditures	<u>6,161,426</u>	<u>7,073,590</u>	<u>5,981,515</u>	<u>1,092,075</u>
Excess (deficiency) of revenues over expenditures	395,438	(516,726)	539,812	1,056,538
OTHER FINANCING USES				
Transfers out	(79,007)	(79,007)	(79,007)	-
Net Change in Fund Balance	<u>\$ 316,431</u>	<u>\$ (595,733)</u>	460,805	<u>\$ 1,056,538</u>
Fund Balance - Beginning of Year			<u>4,127,008</u>	
Fund Balance - End of Year			<u>\$ 4,587,813</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
MATCHING FUND
For the Year Ended November 30, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Grants, contributions, and intergovernmental	\$ 2,640,000	\$ 2,640,000	\$ -	\$ (2,640,000)
Property taxes	3,500,000	3,500,000	3,470,937	(29,063)
Investment income	<u>260,000</u>	<u>260,000</u>	<u>270,202</u>	<u>10,202</u>
Total Revenues	<u>6,400,000</u>	<u>6,400,000</u>	<u>3,741,139</u>	<u>(2,658,861)</u>
EXPENDITURES				
Current				
Transportation				
Contractual services	1,800,000	1,800,000	-	1,800,000
Capital outlay	<u>2,900,000</u>	<u>3,859,581</u>	<u>512,360</u>	<u>3,347,221</u>
Total Expenditures	<u>4,700,000</u>	<u>5,659,581</u>	<u>512,360</u>	<u>5,147,221</u>
Excess of revenues over expenditures	1,700,000	740,419	3,228,779	2,488,360
OTHER FINANCING SOURCES				
Transfers in	<u>4,700,000</u>	<u>4,700,000</u>	<u>670,154</u>	<u>(4,029,846)</u>
Net Change in Fund Balance	<u>\$ 6,400,000</u>	<u>\$ 5,440,419</u>	3,898,933	<u>\$ (1,541,486)</u>
Fund Balance - Beginning of Year			<u>8,453,094</u>	
Fund Balance - End of Year			<u>\$ 12,352,027</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
COUNTY BRIDGE FUND
For the Year Ended November 30, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Grants, contributions, and intergovernmental	\$ 1,182,400	\$ 1,182,400	\$ 28,217	\$ (1,154,183)
Property taxes	1,000,000	1,000,000	988,834	(11,166)
Investment income	<u>50,000</u>	<u>50,000</u>	<u>54,618</u>	<u>4,618</u>
Total Revenues	<u>2,232,400</u>	<u>2,232,400</u>	<u>1,071,669</u>	<u>(1,160,731)</u>
EXPENDITURES				
Current				
Transportation				
Contractual services	1,400,000	1,437,218	554,530	882,688
Capital outlay	<u>-</u>	<u>89,015</u>	<u>12,000</u>	<u>77,015</u>
Total Expenditures	<u>1,400,000</u>	<u>1,526,233</u>	<u>566,530</u>	<u>959,703</u>
Excess of revenues over expenditures	832,400	706,167	505,139	(201,028)
OTHER FINANCING SOURCES				
Transfers in	<u>1,400,000</u>	<u>1,400,000</u>	<u>258,880</u>	<u>(1,141,120)</u>
Net Change in Fund Balance	<u>\$ 2,232,400</u>	<u>\$ 2,106,167</u>	764,019	<u>\$ (1,342,148)</u>
Fund Balance - Beginning of Year			<u>1,657,653</u>	
Fund Balance - End of Year			<u>\$ 2,421,672</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
COUNTY OPTION MOTOR FUEL TAX FUND
For the Year Ended November 30, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Grants, contributions, and intergovernmental	\$ 8,022,000	\$ 8,022,000	\$ 4,959,781	\$ (3,062,219)
Investment income	<u>500,000</u>	<u>500,000</u>	<u>331,623</u>	<u>(168,377)</u>
Total Revenues	<u>8,522,000</u>	<u>8,522,000</u>	<u>5,291,404</u>	<u>(3,230,596)</u>
EXPENDITURES				
Current				
Transportation				
Contractual services	2,955,000	5,337,979	2,999,100	2,338,879
Commodities	123,000	187,054	147,253	39,801
Capital outlay	<u>10,815,000</u>	<u>14,307,657</u>	<u>7,375,035</u>	<u>6,932,622</u>
Total Expenditures	<u>13,893,000</u>	<u>19,832,690</u>	<u>10,521,388</u>	<u>9,311,302</u>
Deficiency of revenues over expenditures	(5,371,000)	(11,310,690)	(5,229,984)	6,080,706
OTHER FINANCING SOURCES				
Transfers in	<u>13,893,000</u>	<u>13,893,000</u>	<u>8,548,272</u>	<u>(5,344,728)</u>
Net Change in Fund Balance	<u>\$ 8,522,000</u>	<u>\$ 2,582,310</u>	3,318,288	<u>\$ 735,978</u>
Fund Balance - Beginning of Year			<u>10,339,599</u>	
Fund Balance - End of Year			<u>\$ 13,657,887</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
TUBERCULOSIS CARE AND TREATMENT FUND
For the Year Ended November 30, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Charges for services	\$ 7,000	\$ 7,000	\$ 18,283	\$ 11,283
Grants, contributions, and intergovernmental	500	500	-	(500)
Property taxes	325,000	325,000	332,985	7,985
Investment income	<u>3,550</u>	<u>3,550</u>	<u>2,300</u>	<u>(1,250)</u>
 Total Revenues	 <u>336,050</u>	 <u>336,050</u>	 <u>353,568</u>	 <u>17,518</u>
EXPENDITURES				
Current				
Public health and welfare				
Personnel services	226,328	231,233	231,045	188
Contractual services	81,408	76,503	41,244	35,259
Commodities	<u>40,700</u>	<u>40,700</u>	<u>11,719</u>	<u>28,981</u>
 Total Expenditures	 <u>348,436</u>	 <u>348,436</u>	 <u>284,008</u>	 <u>64,428</u>
 Net Change in Fund Balance	 <u>\$ (12,386)</u>	 <u>\$ (12,386)</u>	 69,560	 <u>\$ 81,946</u>
 Fund Balance - Beginning of Year			 <u>85,187</u>	
 Fund Balance - End of Year			 <u>\$ 154,747</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
MAINTENANCE AND CHILD SUPPORT COLLECTION FUND
For the Year Ended November 30, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Charges for services	\$ 160,000	\$ 160,000	\$ 154,937	\$ (5,063)
Investment income	<u>13,000</u>	<u>13,000</u>	<u>8,720</u>	<u>(4,280)</u>
Total Revenues	<u>173,000</u>	<u>173,000</u>	<u>163,657</u>	<u>(9,343)</u>
EXPENDITURES				
Current				
Judiciary and court related				
Personnel services	149,524	149,524	144,325	5,199
Contractual services	<u>239,491</u>	<u>239,491</u>	<u>-</u>	<u>239,491</u>
Total Expenditures	<u>389,015</u>	<u>389,015</u>	<u>144,325</u>	<u>244,690</u>
Net Change in Fund Balance	<u>\$ (216,015)</u>	<u>\$ (216,015)</u>	19,332	<u>\$ 235,347</u>
Fund Balance - Beginning of Year			<u>319,357</u>	
Fund Balance - End of Year			<u>\$ 338,689</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
COUNTY CLERK AUTOMATION FUND
For the Year Ended November 30, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Charges for services	\$ 15,000	\$ 15,000	\$ 13,857	\$ (1,143)
Investment income	<u>5,000</u>	<u>5,000</u>	<u>2,761</u>	<u>(2,239)</u>
Total Revenues	<u>20,000</u>	<u>20,000</u>	<u>16,618</u>	<u>(3,382)</u>
EXPENDITURES				
Current				
General and administrative				
Contractual services	10,000	10,000	4,642	5,358
Capital outlay	<u>20,000</u>	<u>20,000</u>	<u>15,564</u>	<u>4,436</u>
Total Expenditures	<u>30,000</u>	<u>30,000</u>	<u>20,206</u>	<u>9,794</u>
Net Change in Fund Balance	<u>\$ (10,000)</u>	<u>\$ (10,000)</u>	(3,588)	<u>\$ 6,412</u>
Fund Balance - Beginning of Year			<u>100,328</u>	
Fund Balance - End of Year			<u>\$ 96,740</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
RECORDER AUTOMATION FUND
For the Year Ended November 30, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Charges for services	\$ 975,000	\$ 975,000	\$ 716,606	\$ (258,394)
Investment income	<u>30,000</u>	<u>30,000</u>	<u>10,452</u>	<u>(19,548)</u>
Total Revenues	<u>1,005,000</u>	<u>1,005,000</u>	<u>727,058</u>	<u>(277,942)</u>
EXPENDITURES				
Current				
General and administrative				
Personnel services	494,609	494,609	280,830	213,779
Contractual services	333,065	333,065	255,848	77,217
Commodities	46,450	46,450	45,006	1,444
Capital outlay	33,000	215,204	182,204	33,000
Debt service				
Principal retirement	<u>-</u>	<u>43,518</u>	<u>43,156</u>	<u>362</u>
Total Expenditures	<u>907,124</u>	<u>1,132,846</u>	<u>807,044</u>	<u>325,802</u>
Excess (deficiency) of revenues over expenditures	97,876	(127,846)	(79,986)	47,860
OTHER FINANCING SOURCES				
Capital leases issued	<u>-</u>	<u>165,409</u>	<u>165,409</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ 97,876</u>	<u>\$ 37,563</u>	85,423	<u>\$ 47,860</u>
Fund Balance - Beginning of Year			<u>270,625</u>	
Fund Balance - End of Year			<u>\$ 356,048</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ANIMAL SHELTER FUND
For the Year Ended November 30, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Charges for services	\$ 4,000	\$ 4,000	\$ 10,002	\$ 6,002
Investment income	<u>500</u>	<u>500</u>	<u>532</u>	<u>32</u>
Total Revenues	<u>4,500</u>	<u>4,500</u>	<u>10,534</u>	<u>6,034</u>
EXPENDITURES				
Current				
Public health and welfare				
Contractual services	10,000	5,695	4,954	741
Commodities	<u>-</u>	<u>4,305</u>	<u>4,305</u>	<u>-</u>
Total Expenditures	<u>10,000</u>	<u>10,000</u>	<u>9,259</u>	<u>741</u>
Net Change in Fund Balance	<u>\$ (5,500)</u>	<u>\$ (5,500)</u>	1,275	<u>\$ 6,775</u>
Fund Balance - Beginning of Year			<u>16,371</u>	
Fund Balance - End of Year			<u>\$ 17,646</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
COUNTY TREASURER AUTOMATION FUND
For the Year Ended November 30, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Charges for services	\$ 100,000	\$ 100,000	\$ 58,843	\$ (41,157)
Investment income	<u>19,000</u>	<u>19,000</u>	<u>11,331</u>	<u>(7,669)</u>
Total Revenues	<u>119,000</u>	<u>119,000</u>	<u>70,174</u>	<u>(48,826)</u>
EXPENDITURES				
Current				
General and administrative				
Personnel services	86,000	86,000	10,492	75,508
Contractual services	73,300	73,300	41,103	32,197
Commodities	14,000	14,000	2,711	11,289
Capital outlay	<u>14,700</u>	<u>14,700</u>	<u>-</u>	<u>14,700</u>
Total Expenditures	<u>188,000</u>	<u>188,000</u>	<u>54,306</u>	<u>133,694</u>
Net Change in Fund Balance	<u>\$ (69,000)</u>	<u>\$ (69,000)</u>	15,868	<u>\$ 84,868</u>
Fund Balance - Beginning of Year			<u>394,382</u>	
Fund Balance - End of Year			<u>\$ 410,250</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
WORKFORCE NETWORK FUND
For the Year Ended November 30, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Grants, contributions, and intergovernmental	\$ 1,988,330	\$ 1,990,629	\$ 1,769,898	\$ (220,731)
Investment income	12,100	12,100	6,429	(5,671)
Miscellaneous	<u>123,900</u>	<u>123,900</u>	<u>136,817</u>	<u>12,917</u>
Total Revenues	<u>2,124,330</u>	<u>2,126,629</u>	<u>1,913,144</u>	<u>(213,485)</u>
EXPENDITURES				
Current				
Public health and welfare				
Personnel services	1,288,593	1,176,045	1,170,458	5,587
Contractual services	630,039	842,338	839,741	2,597
Commodities	175,698	81,246	76,042	5,204
Capital outlay	10,000	7,000	990	6,010
Debt service				
Principal retirement	<u>20,000</u>	<u>20,000</u>	<u>13,925</u>	<u>6,075</u>
Total Expenditures	<u>2,124,330</u>	<u>2,126,629</u>	<u>2,101,156</u>	<u>25,473</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	(188,012)	<u>\$ (188,012)</u>
Fund Balance - Beginning of Year			<u>468,415</u>	
Fund Balance - End of Year			<u>\$ 280,403</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
LAW LIBRARY FUND
For the Year Ended November 30, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Charges for services	\$ 165,000	\$ 165,000	\$ 197,157	\$ 32,157
Investment income	<u>5,000</u>	<u>5,000</u>	<u>5,878</u>	<u>878</u>
Total Revenues	<u>170,000</u>	<u>170,000</u>	<u>203,035</u>	<u>33,035</u>
EXPENDITURES				
Current				
Judiciary and court related				
Contractual services	3,900	3,900	246	3,654
Commodities	<u>95,200</u>	<u>135,200</u>	<u>130,933</u>	<u>4,267</u>
Total Expenditures	<u>99,100</u>	<u>139,100</u>	<u>131,179</u>	<u>7,921</u>
Net Change in Fund Balance	<u>\$ 70,900</u>	<u>\$ 30,900</u>	71,856	<u>\$ 40,956</u>
Fund Balance - Beginning of Year			<u>178,389</u>	
Fund Balance - End of Year			<u>\$ 250,245</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
MENTAL HEALTH CAPITAL DEVELOPMENT FUND
For the Year Ended November 30, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Investment income	\$ 5,000	\$ 5,000	\$ 6,246	\$ 1,246
EXPENDITURES				
Current				
Public health and welfare				
Contractual services	29,000	29,000	-	29,000
Capital outlay	<u>295,000</u>	<u>295,000</u>	<u>-</u>	<u>295,000</u>
Total Expenditures	<u>324,000</u>	<u>324,000</u>	<u>-</u>	<u>324,000</u>
Excess (deficiency) of revenues over expenditures	<u>(319,000)</u>	<u>(319,000)</u>	<u>6,246</u>	<u>325,246</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	90,000	90,000	90,000	-
Transfers out	<u>(90,000)</u>	<u>(90,000)</u>	<u>(90,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ (319,000)</u>	<u>\$ (319,000)</u>	6,246	<u>\$ 325,246</u>
Fund Balance - Beginning of Year			<u>438,554</u>	
Fund Balance - End of Year			<u>\$ 444,800</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE (DEFICIT) - BUDGET AND ACTUAL
MENTAL HEALTH GRANT FUND
For the Year Ended November 30, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Grants, contributions, and intergovernmental	\$ 3,134,384	\$ 3,134,384	\$ 2,150,353	\$ (984,031)
Investment income	2,500	2,500	2,890	390
Miscellaneous	<u>63,000</u>	<u>63,000</u>	<u>3,305</u>	<u>(59,695)</u>
Total Revenues	<u>3,199,884</u>	<u>3,199,884</u>	<u>2,156,548</u>	<u>(1,043,336)</u>
EXPENDITURES				
Current				
Public health and welfare				
Personnel services	1,754,713	1,754,713	1,345,290	409,423
Contractual services	3,089,882	3,089,882	2,544,793	545,089
Commodities	199,763	199,763	151,684	48,079
Capital outlay	<u>35,000</u>	<u>195,000</u>	<u>171,956</u>	<u>23,044</u>
Total Expenditures	<u>5,079,358</u>	<u>5,239,358</u>	<u>4,213,723</u>	<u>1,025,635</u>
Deficiency of revenues over expenditures	(1,879,474)	(2,039,474)	(2,057,175)	(17,701)
OTHER FINANCING SOURCES				
Transfers in	<u>1,892,902</u>	<u>2,010,101</u>	<u>1,472,181</u>	<u>(537,920)</u>
Net Change in Fund Balance	<u>\$ 13,428</u>	<u>\$ (29,373)</u>	(584,994)	<u>\$ (555,621)</u>
Fund Balance - Beginning of Year			<u>361,449</u>	
Fund Deficit - End of Year			<u>\$ (223,545)</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE (DEFICIT) - BUDGET AND ACTUAL
CIRCUIT COURT DOCUMENT STORAGE FUND
For the Year Ended November 30, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Charges for services	\$ 745,000	\$ 745,000	\$ 787,755	\$ 42,755
Investment income	35,000	35,000	24,713	(10,287)
Miscellaneous	<u>1,125,000</u>	<u>1,125,000</u>	<u>-</u>	<u>(1,125,000)</u>
Total Revenues	<u>1,905,000</u>	<u>1,905,000</u>	<u>812,468</u>	<u>(1,092,532)</u>
EXPENDITURES				
Current				
Judiciary and court related				
Personnel services	187,256	187,256	186,074	1,182
Contractual services	1,727,744	1,887,744	1,637,575	250,169
Commodities	<u>40,000</u>	<u>40,000</u>	<u>33,075</u>	<u>6,925</u>
Total Expenditures	<u>1,955,000</u>	<u>2,115,000</u>	<u>1,856,724</u>	<u>258,276</u>
Net Change in Fund Balance	<u>\$ (50,000)</u>	<u>\$ (210,000)</u>	(1,044,256)	<u>\$ (834,256)</u>
Fund Balance - Beginning of Year			<u>651,386</u>	
Fund Deficit - End of Year			<u>\$ (392,870)</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
PROBATION SERVICE FEE FUND
For the Year Ended November 30, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Charges for services	\$ 360,000	\$ 360,000	\$ 344,248	\$ (15,752)
Investment income	40,000	40,000	24,537	(15,463)
Miscellaneous	-	-	1,850	1,850
	<u>400,000</u>	<u>400,000</u>	<u>370,635</u>	<u>(29,365)</u>
EXPENDITURES				
Current				
Judiciary and court related				
Personnel services	130,885	130,885	84,682	46,203
Contractual services	280,114	280,114	183,823	96,291
Commodities	37,400	37,400	19,265	18,135
Capital outlay	42,750	42,750	41,616	1,134
	<u>491,149</u>	<u>491,149</u>	<u>329,386</u>	<u>161,763</u>
Net Change in Fund Balance	<u>\$ (91,149)</u>	<u>\$ (91,149)</u>	41,249	<u>\$ 132,398</u>
Fund Balance - Beginning of Year			<u>942,350</u>	
Fund Balance - End of Year			<u>\$ 983,599</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CDBG/HOME FUND
For the Year Ended November 30, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Grants, contributions, and intergovernmental	\$ 3,007,098	\$ 3,007,098	\$ 635,904	\$ (2,371,194)
EXPENDITURES				
Current				
Community development				
Personnel services	108,623	149,623	99,158	50,465
Contractual services	2,894,475	2,847,375	558,764	2,288,611
Commodities	4,000	10,100	4,410	5,690
Total Expenditures	<u>3,007,098</u>	<u>3,007,098</u>	<u>662,332</u>	<u>2,344,766</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	(26,428)	<u>\$ (26,428)</u>
Fund Balance - Beginning of Year			<u>95,165</u>	
Fund Balance - End of Year			<u>\$ 68,737</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
DENTAL CARE CLINIC FUND
For the Year Ended November 30, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Charges for services	\$ 44,000	\$ 44,000	\$ 61,202	\$ 17,202
Grants, contributions, and intergovernmental	108,000	388,000	489,191	101,191
Investment income	<u>5,000</u>	<u>5,000</u>	<u>6,708</u>	<u>1,708</u>
Total Revenues	<u>157,000</u>	<u>437,000</u>	<u>557,101</u>	<u>120,101</u>
EXPENDITURES				
Current				
Public health and welfare				
Personnel services	49,442	266,742	233,139	33,603
Contractual services	146,607	181,507	82,444	99,063
Commodities	<u>12,300</u>	<u>40,100</u>	<u>28,281</u>	<u>11,819</u>
Total Expenditures	<u>208,349</u>	<u>488,349</u>	<u>343,864</u>	<u>144,485</u>
Net Change in Fund Balance	<u>\$ (51,349)</u>	<u>\$ (51,349)</u>	213,237	<u>\$ 264,586</u>
Fund Balance - Beginning of Year			<u>114,100</u>	
Fund Balance - End of Year			<u>\$ 327,337</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE (DEFICIT) - BUDGET AND ACTUAL
CIRCUIT COURT AUTOMATION FUND
For the Year Ended November 30, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Charges for services	\$ 795,000	\$ 795,000	\$ 847,920	\$ 52,920
Investment income	25,000	25,000	18,080	(6,920)
Miscellaneous	<u>1,125,000</u>	<u>1,125,000</u>	<u>-</u>	<u>(1,125,000)</u>
Total Revenues	<u>1,945,000</u>	<u>1,945,000</u>	<u>866,000</u>	<u>(1,079,000)</u>
EXPENDITURES				
Current				
Judiciary and court related				
Personnel services	236,748	236,748	236,482	266
Contractual services	1,758,252	1,758,252	1,623,109	135,143
Capital outlay	<u>-</u>	<u>250,000</u>	<u>208,231</u>	<u>41,769</u>
Total Expenditures	<u>1,995,000</u>	<u>2,245,000</u>	<u>2,067,822</u>	<u>177,178</u>
Net Change in Fund Balance	<u>\$ (50,000)</u>	<u>\$ (300,000)</u>	(1,201,822)	<u>\$ (901,822)</u>
Fund Balance - Beginning of Year			<u>461,856</u>	
Fund Deficit - End of Year			<u>\$ (739,966)</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ILLINOIS CRIMINAL JUSTICE AUTHORITY FUND
For the Year Ended November 30, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Grants, contributions, and intergovernmental	\$ 83,394	\$ 83,394	\$ 104,243	\$ 20,849
Investment income	<u>-</u>	<u>-</u>	<u>458</u>	<u>458</u>
Total Revenues	83,394	83,394	104,701	21,307
EXPENDITURES				
Current				
Judiciary and court related Personnel services	<u>83,394</u>	<u>83,394</u>	<u>83,394</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	21,307	<u>\$ 21,307</u>
Fund Balance - Beginning of Year			<u>556</u>	
Fund Balance - End of Year			<u>\$ 21,863</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CIRCUIT COURT ADMIN FUND
For the Year Ended November 30, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Charges for services	\$ 24,000	\$ 24,000	\$ 82,676	\$ 58,676
Investment income	<u>100</u>	<u>100</u>	<u>2,176</u>	<u>2,076</u>
Total Revenues	24,100	24,100	84,852	60,752
EXPENDITURES				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ 24,100</u>	<u>\$ 24,100</u>	84,852	<u>\$ 60,752</u>
Fund Balance - Beginning of Year			<u>48,131</u>	
Fund Balance - End of Year			<u>\$ 132,983</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
EMDT FUND
For the Year Ended November 30, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Charges for services	\$ 21,000	\$ 21,000	\$ 12,767	\$ (8,233)
EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	21,000	21,000	12,767	(8,233)
OTHER FINANCING USES				
Transfers out	<u>(21,000)</u>	<u>(21,000)</u>	<u>(12,767)</u>	<u>8,233</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund Balance - Beginning of Year			<u>29,583</u>	
Fund Balance - End of Year			<u>\$ 29,583</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE (DEFICIT) - BUDGET AND ACTUAL
TREASURER'S PASSPORT SERVICES FUND
For the Year Ended November 30, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Charges for services	\$ 98,000	\$ 98,000	\$ 17,878	\$ (80,122)
Investment income	<u>6,500</u>	<u>6,500</u>	<u>3,708</u>	<u>(2,792)</u>
Total Revenues	<u>104,500</u>	<u>104,500</u>	<u>21,586</u>	<u>(82,914)</u>
EXPENDITURES				
Current				
General and administrative				
Personnel services	70,000	70,000	62,738	7,262
Contractual services	69,000	69,000	56,577	12,423
Commodities	<u>29,000</u>	<u>29,000</u>	<u>15,387</u>	<u>13,613</u>
Total Expenditures	<u>168,000</u>	<u>168,000</u>	<u>134,702</u>	<u>33,298</u>
Net Change in Fund Balance	<u>\$ (63,500)</u>	<u>\$ (63,500)</u>	(113,116)	<u>\$ (49,616)</u>
Fund Balance - Beginning of Year			<u>108,746</u>	
Fund Deficit - End of Year			<u>\$ (4,370)</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
PRAIRIE SHIELD GRANT FUND
For the Year Ended November 30, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Grants, contributions, and intergovernmental	\$ -	\$ 5,100,000	\$ 170,549	\$ (4,929,451)
Investment income	<u>-</u>	<u>-</u>	<u>3,547</u>	<u>3,547</u>
Total Revenues	-	5,100,000	174,096	(4,925,904)
EXPENDITURES				
Current				
Public safety				
Contractual services	<u>-</u>	<u>5,100,000</u>	<u>170,549</u>	<u>4,929,451</u>
Excess of revenues over expenditures	-	-	3,547	3,547
OTHER FINANCING SOURCES				
Transfers in	<u>-</u>	<u>23,133</u>	<u>-</u>	<u>(23,133)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ 23,133</u>	3,547	<u>\$ (19,586)</u>
Fund Balance - Beginning of Year			<u>-</u>	
Fund Balance - End of Year			<u>\$ 3,547</u>	

County of McHenry, Illinois
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 DUI CONVICTION FUND
 For the Year Ended November 30, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Fines and forfeitures	\$ 8,000	\$ 8,000	\$ 22,688	\$ 14,688
EXPENDITURES				
Current				
Public safety				
Commodities	<u>17,000</u>	<u>17,000</u>	<u>13,570</u>	<u>3,430</u>
Net Change in Fund Balance	<u>\$ (9,000)</u>	<u>\$ (9,000)</u>	9,118	<u>\$ 18,118</u>
Fund Balance - Beginning of Year			<u>17,077</u>	
Fund Balance - End of Year			<u>\$ 26,195</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GEOGRAPHIC INFORMATION SYSTEMS FUND
For the Year Ended November 30, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Charges for services	\$ 890,000	\$ 890,000	\$ 645,448	\$ (244,552)
Investment income	<u>60,000</u>	<u>60,000</u>	<u>26,556</u>	<u>(33,444)</u>
Total Revenues	<u>950,000</u>	<u>950,000</u>	<u>672,004</u>	<u>(277,996)</u>
EXPENDITURES				
Current				
General and administrative				
Personnel services	428,242	428,242	397,994	30,248
Contractual services	474,750	486,225	171,106	315,119
Commodities	<u>25,650</u>	<u>37,650</u>	<u>30,831</u>	<u>6,819</u>
Total Expenditures	<u>928,642</u>	<u>952,117</u>	<u>599,931</u>	<u>352,186</u>
Net Change in Fund Balance	<u>\$ 21,358</u>	<u>\$ (2,117)</u>	72,073	<u>\$ 74,190</u>
Fund Balance - Beginning of Year			<u>977,590</u>	
Fund Balance - End of Year			<u>\$ 1,049,663</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
REVOLVING LOAN FUND
For the Year Ended November 30, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Investment income	\$ 84,014	\$ 84,014	\$ 62,424	\$ (21,590)
Miscellaneous	<u>-</u>	<u>-</u>	<u>400</u>	<u>400</u>
Total Revenues	<u>84,014</u>	<u>84,014</u>	<u>62,824</u>	<u>(21,190)</u>
EXPENDITURES				
Current				
Community development				
Contractual services	<u>258,685</u>	<u>258,685</u>	<u>78,602</u>	<u>180,083</u>
Net Change in Fund Balance	<u>\$ (174,671)</u>	<u>\$ (174,671)</u>	(15,778)	<u>\$ 158,893</u>
Fund Balance - Beginning of Year			<u>1,591,344</u>	
Fund Balance - End of Year			<u>\$ 1,575,566</u>	

County of McHenry, Illinois
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 HEALTH SCHOLARSHIP FUND
 For the Year Ended November 30, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Investment income	\$ 300	\$ 300	\$ 179	\$ (121)
EXPENDITURES				
Current				
Public health and welfare				
Contractual services	<u>5,500</u>	<u>5,500</u>	<u>-</u>	<u>5,500</u>
Net Change in Fund Balance	<u>\$ (5,200)</u>	<u>\$ (5,200)</u>	179	<u>\$ 5,379</u>
Fund Balance - Beginning of Year			<u>6,541</u>	
Fund Balance - End of Year			<u>\$ 6,720</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SENIOR SERVICES FUND
For the Year Ended November 30, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Property taxes	\$ 1,775,000	\$ 1,775,000	\$ 1,765,731	\$ (9,269)
Investment income	<u>106,000</u>	<u>106,000</u>	<u>68,006</u>	<u>(37,994)</u>
Total Revenues	1,881,000	1,881,000	1,833,737	(47,263)
EXPENDITURES				
Current				
Public health and welfare				
Contractual services	<u>1,700,000</u>	<u>1,700,000</u>	<u>1,545,985</u>	<u>154,015</u>
Net Change in Fund Balance	<u>\$ 181,000</u>	<u>\$ 181,000</u>	287,752	<u>\$ 106,752</u>
Fund Balance - Beginning of Year			<u>2,518,796</u>	
Fund Balance - End of Year			<u>\$ 2,806,548</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
RTA SALES TAX FUND
For the Year Ended November 30, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Sales taxes	\$ -	\$ -	\$ 5,253,285	\$ 5,253,285
Investment income	<u>-</u>	<u>-</u>	<u>2,397</u>	<u>2,397</u>
Total Revenues	-	-	5,255,682	5,255,682
EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	5,255,682	<u>\$ 5,255,682</u>
Fund Balance - Beginning of Year			<u>-</u>	
Fund Balance - End of Year			<u>\$ 5,255,682</u>	

NONMAJOR DEBT SERVICE FUNDS

Series 2001 Certificate Fund – to account for the accumulation of resources and the payment of general obligation limited tax debt certificates principal, interest, and related costs.

Series 2001 A Certificate Fund – to account for the accumulation of resources and the payment of general obligation limited tax debt certificates principal, interest, and related costs.

Series 2002 A Certificate Fund – to account for the accumulation of resources and the payment of general obligation limited tax debt certificates principal, interest, and related costs.

Series 2003 C Certificate Fund – to account for the accumulation of resources and the payment of general obligation limited tax debt certificates principal, interest, and related costs for the County jail expansion project.

Series 2003 A Certificate Fund – to account for the accumulation of resources and the payment of general obligation limited tax debt certificates principal, interest, and related costs.

Series 2005 A Certificate Fund – to account for the accumulation of resources and the payment of general obligation limited tax debt certificates principal, interest, and related costs.

Series 2005 B Certificate Fund – to account for the accumulation of resources and the payment of general obligation limited tax debt certificates principal, interest, and related costs.

Series 2006 A Certificate Fund – to account for the accumulation of resources and the payment of general obligation limited tax debt certificates principal, interest, and related costs.

Series 2007 A Certificate Fund – to account for the accumulation of resources and the payment of general obligation limited tax debt certificates principal, interest, and related costs.

Series 2007 B Certificate Fund – to account for the accumulation of resources and the payment of general obligation limited tax debt certificates principal, interest, and related costs.

Public Building Commission Debt Fund – to account for the accumulation of resources and the payment of Public Building Commission Revenue Refunding Bonds principal, interest, and related cost.

County of McHenry, Illinois
COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
November 30, 2008

	Series 2005 A Certificate Fund	Public Building Commission Debt Fund	Totals
ASSETS			
Cash and equivalents	\$ -	\$ 86,840	\$ 86,840
Due from other funds	<u>2,585</u>	<u>-</u>	<u>2,585</u>
TOTAL ASSETS	<u><u>\$ 2,585</u></u>	<u><u>\$ 86,840</u></u>	<u><u>\$ 89,425</u></u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts payable	\$ -	\$ 1,795	\$ 1,795
Fund balance			
Reserved for debt service	<u>2,585</u>	<u>85,045</u>	<u>87,630</u>
TOTAL LIABILITIES AND FUND BALANCE	<u><u>\$ 2,585</u></u>	<u><u>\$ 86,840</u></u>	<u><u>\$ 89,425</u></u>

County of McHenry, Illinois
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR DEBT SERVICE FUNDS
For the Year Ended November 30, 2008

	Series 2001 Certificate Fund	Series 2001 A Certificate Fund	Series 2002 A Certificate Fund	Series 2003 C Certificate Fund
REVENUES				
Investment income	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Current				
General and administrative	-	-	-	-
Debt service				
Principal retirement	450,000	152,376	355,000	465,000
Interest and fiscal charges	76,713	32,408	188,438	178,313
Total Expenditures	526,713	184,784	543,438	643,313
Deficiency of revenues over expenditures	(526,713)	(184,784)	(543,438)	(643,313)
OTHER FINANCING SOURCES				
Transfers in	526,713	184,784	543,438	588,038
Net Change in Fund Balances	-	-	-	(55,275)
Fund Balances - Beginning of Year	-	-	-	55,275
Fund Balances - End of Year	\$ -	\$ -	\$ -	\$ -

Series 2003 A Certificate Fund	Series 2005 A Certificate Fund	Series 2005 B Certificate Fund	Series 2006 A Certificate Fund	Series 2007 A Certificate Fund	Series 2007 B Certificate Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
225,000	-	285,000	390,000	440,000	4,060,000
181,673	67,548	23,173	320,037	247,425	2,139,882
406,673	67,548	308,173	710,037	687,425	6,199,882
(406,673)	(67,548)	(308,173)	(710,037)	(687,425)	(6,199,882)
406,673	70,133	308,173	710,037	687,425	6,199,882
-	2,585	-	-	-	-
-	-	-	-	-	-
\$ -	\$ 2,585	\$ -	\$ -	\$ -	\$ -

(Continued)

County of McHenry, Illinois
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR DEBT SERVICE FUNDS
For the Year Ended November 30, 2008

	<u>Public Building Commission Debt Fund</u>	<u>Totals</u>
REVENUES		
Investment income	\$ 6,078	\$ 6,078
EXPENDITURES		
Current		
General and administrative	13,704	13,704
Debt service		
Principal retirement	-	6,822,376
Interest and fiscal charges	-	3,455,610
Total Expenditures	<u>13,704</u>	<u>10,291,690</u>
Deficiency of revenues over expenditures	(7,626)	(10,285,612)
OTHER FINANCING SOURCES		
Transfers in	<u>-</u>	<u>10,225,296</u>
Net Change in Fund Balances	(7,626)	(60,316)
Fund Balances - Beginning of Year	<u>92,671</u>	<u>147,946</u>
Fund Balances - End of Year	<u>\$ 85,045</u>	<u>\$ 87,630</u>

(Concluded)

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SERIES 2001 CERTIFICATE FUND
For the Year Ended November 30, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Debt service				
Principal retirement	450,000	450,000	450,000	-
Interest and fiscal charges	76,713	76,713	76,713	-
Total Expenditures	526,713	526,713	526,713	-
Deficiency of revenues over expenditures	(526,713)	(526,713)	(526,713)	-
OTHER FINANCING SOURCES				
Transfers in	526,713	526,713	526,713	-
Net Change in Fund Balance	\$ -	\$ -	-	\$ -
Fund Balance - Beginning of Year			-	
Fund Balance - End of Year			\$ -	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SERIES 2001 A CERTIFICATE FUND
For the Year Ended November 30, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Debt service				
Principal retirement	152,376	152,376	152,376	-
Interest and fiscal charges	37,624	37,624	32,408	5,216
Total Expenditures	190,000	190,000	184,784	5,216
Deficiency of revenues over expenditures	(190,000)	(190,000)	(184,784)	5,216
OTHER FINANCING SOURCES				
Transfers in	190,000	190,000	184,784	(5,216)
Net Change in Fund Balance	\$ -	\$ -	-	\$ -
Fund Balance - Beginning of Year			-	
Fund Balance - End of Year			\$ -	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SERIES 2002 A CERTIFICATE FUND
For the Year Ended November 30, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Debt service				
Principal retirement	355,000	355,000	355,000	-
Interest and fiscal charges	188,488	188,488	188,438	50
Total Expenditures	543,488	543,488	543,438	50
Deficiency of revenues over expenditures	(543,488)	(543,488)	(543,438)	50
OTHER FINANCING SOURCES				
Transfers in	543,488	543,488	543,438	(50)
Net Change in Fund Balance	\$ -	\$ -	-	\$ -
Fund Balance - Beginning of Year			-	
Fund Balance - End of Year			\$ -	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SERIES 2003 C CERTIFICATE FUND
For the Year Ended November 30, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES	\$ _____	\$ _____ -	\$ _____ -	\$ _____ -
EXPENDITURES				
Debt service				
Principal retirement	465,000	465,000	465,000	-
Interest and fiscal charges	<u>178,364</u>	<u>178,364</u>	<u>178,313</u>	<u>51</u>
Total Expenditures	<u>643,364</u>	<u>643,364</u>	<u>643,313</u>	<u>51</u>
Deficiency of revenues over expenditures	(643,364)	(643,364)	(643,313)	51
OTHER FINANCING SOURCES				
Transfers in	<u>643,364</u>	<u>643,364</u>	<u>588,038</u>	<u>(55,326)</u>
Net Change in Fund Balance	<u>\$ _____ -</u>	<u>\$ _____ -</u>	(55,275)	<u>\$ _____ (55,275)</u>
Fund Balance - Beginning of Year			<u>55,275</u>	
Fund Balance - End of Year			<u>\$ _____ -</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SERIES 2003 A CERTIFICATE FUND
For the Year Ended November 30, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Debt service				
Principal retirement	225,000	225,000	225,000	-
Interest and fiscal charges	181,723	181,723	181,673	50
Total Expenditures	406,723	406,723	406,673	50
Deficiency of revenues over expenditures	(406,723)	(406,723)	(406,673)	50
OTHER FINANCING SOURCES				
Transfers in	406,723	406,723	406,673	(50)
Net Change in Fund Balance	\$ -	\$ -	-	\$ -
Fund Balance - Beginning of Year			-	
Fund Balance - End of Year			\$ -	

County of McHenry, Illinois
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 SERIES 2005 A CERTIFICATE FUND
 For the Year Ended November 30, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Debt service				
Interest and fiscal charges	<u>67,598</u>	<u>67,598</u>	<u>67,548</u>	<u>50</u>
Deficiency of revenues over expenditures	(67,598)	(67,598)	(67,548)	50
OTHER FINANCING SOURCES				
Transfers in	<u>67,598</u>	<u>67,598</u>	<u>70,133</u>	<u>2,535</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	2,585	<u>\$ 2,585</u>
Fund Balance - Beginning of Year			<u>-</u>	
Fund Balance - End of Year			<u>\$ 2,585</u>	

County of McHenry, Illinois
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 SERIES 2005 B CERTIFICATE FUND
 For the Year Ended November 30, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Debt service				
Principal retirement	285,000	285,000	285,000	-
Interest and fiscal charges	23,223	23,223	23,173	50
Total Expenditures	308,223	308,223	308,173	50
Deficiency of revenues over expenditures	(308,223)	(308,223)	(308,173)	50
OTHER FINANCING SOURCES				
Transfers in	308,223	308,223	308,173	(50)
Net Change in Fund Balance	\$ -	\$ -	-	\$ -
Fund Balance - Beginning of Year			-	
Fund Balance - End of Year			\$ -	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SERIES 2006 A CERTIFICATE FUND
For the Year Ended November 30, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Debt service				
Principal retirement	390,000	390,000	390,000	-
Interest and fiscal charges	320,063	320,063	320,037	26
Total Expenditures	710,063	710,063	710,037	26
Deficiency of revenues over expenditures	(710,063)	(710,063)	(710,037)	26
OTHER FINANCING SOURCES				
Transfers in	710,063	710,063	710,037	(26)
Net Change in Fund Balance	\$ -	\$ -	-	\$ -
Fund Balance - Beginning of Year			-	
Fund Balance - End of Year			\$ -	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SERIES 2007 A CERTIFICATE FUND
For the Year Ended November 30, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Debt service				
Principal retirement	440,000	440,000	440,000	-
Interest and fiscal charges	249,625	249,625	247,425	2,200
Total Expenditures	689,625	689,625	687,425	2,200
Deficiency of revenues over expenditures	(689,625)	(689,625)	(687,425)	2,200
OTHER FINANCING SOURCES				
Transfers in	689,625	689,625	687,425	(2,200)
Net Change in Fund Balance	\$ -	\$ -	-	\$ -
Fund Balance - Beginning of Year			-	
Fund Balance - End of Year			\$ -	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SERIES 2007 B CERTIFICATE FUND
For the Year Ended November 30, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Debt service				
Principal retirement	4,060,000	4,060,000	4,060,000	-
Interest and fiscal charges	2,188,394	2,188,394	2,139,882	48,512
Total Expenditures	6,248,394	6,248,394	6,199,882	48,512
Deficiency of revenues over expenditures	(6,248,394)	(6,248,394)	(6,199,882)	48,512
OTHER FINANCING SOURCES				
Transfers in	6,248,394	6,248,394	6,199,882	(48,512)
Net Change in Fund Balance	\$ -	\$ -	-	\$ -
Fund Balance - Beginning of Year			-	
Fund Balance - End of Year			\$ -	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
PUBLIC BUILDING COMMISSION DEBT FUND
For the Year Ended November 30, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Investment income	\$ -	\$ -	\$ 6,078	\$ 6,078
EXPENDITURES				
Current				
General and administrative	<u>-</u>	<u>-</u>	<u>13,704</u>	<u>(13,704)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>(7,626)</u>	<u>\$ (7,626)</u>
Fund Balance - Beginning of Year			<u>92,671</u>	
Fund Balance - End of Year			<u>\$ 85,045</u>	

NONMAJOR CAPITAL PROJECT FUNDS

Improved Jail Project Fund – to account for the resources used in the renovation of the County jail.

County Courts and Related Services Fund – to account for the resources used for the judicial center conversion project and government center remodeling, including the remodeling of Annex “A”.

Animal Control / Performance Contract Fund - to account for the purchase and construction of a new animal control facility and for energy saving renovations at the government center. Resources for the fund were provided by proceeds from Series 2006 A debt certificates.

Sheriff Radio System Fund - to account for the purchase and implementation of a new radio system for the Sheriff's Office. Resources for the fund were provided by proceeds from Series 2007 A debt certificates.

Road Improvement Project Fund – to provide funding for highway engineering, construction, and maintenance costs. Resources for the fund were provided by proceeds from Series 2007 B debt certificates.

County of McHenry, Illinois
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECT FUNDS
November 30, 2008

	Improved Jail Project Fund	County Courts and Related Services Fund	Animal Control / Performance Contract Fund	Sheriff Radio System Fund
ASSETS				
Cash and equivalents	\$ 2,585	\$ 52	\$ 182,338	\$ 580,114
Other receivables	-	-	-	-
TOTAL ASSETS	\$ 2,585	\$ 52	\$ 182,338	\$ 580,114
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ -	\$ -	\$ 1,300	\$ -
Due to other funds	2,585	52	-	-
Total liabilities	2,585	52	1,300	-
Fund Balances				
Reserved for encumbrances	-	-	1,620	488,239
Unreserved - undesignated	-	-	179,418	91,875
Total Fund Balances	-	-	181,038	580,114
TOTAL LIABILITIES AND FUND BALANCES	\$ 2,585	\$ 52	\$ 182,338	\$ 580,114

Road Improvement Project Fund	Totals
\$ 13,011,277	\$ 13,776,366
<u>58,702</u>	<u>58,702</u>
<u>\$ 13,069,979</u>	<u>\$ 13,835,068</u>
\$ -	\$ 1,300
<u>-</u>	<u>2,637</u>
<u>-</u>	<u>3,937</u>
-	489,859
<u>13,069,979</u>	<u>13,341,272</u>
<u>13,069,979</u>	<u>13,831,131</u>
<u>\$ 13,069,979</u>	<u>\$ 13,835,068</u>

County of McHenry, Illinois
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECT FUNDS
For the Year Ended November 30, 2008

	Improved Jail Project Fund	County Courts and Related Services Fund	Animal Control / Performance Contract Fund	Sheriff Radio System Fund
REVENUES				
Investment income	\$ 555	\$ 1	\$ 17,449	\$ 16,599
EXPENDITURES				
Current				
General and administrative	-	-	65,549	-
Capital outlay	32,297	-	944,418	244,119
Total Expenditures	32,297	-	1,009,967	244,119
Excess (deficiency) of revenues over expenditures	(31,742)	1	(992,518)	(227,520)
OTHER FINANCING USES				
Transfers out	(2,585)	(52)	-	-
Net Change in Fund Balances	(34,327)	(51)	(992,518)	(227,520)
Fund Balances - Beginning of Year	34,327	51	1,173,556	807,634
Fund Balances - End of Year	\$ -	\$ -	\$ 181,038	\$ 580,114

Road Improvement Project Fund	Totals
\$ <u>1,066,158</u>	\$ <u>1,100,762</u>
-	65,549
<u>-</u>	<u>1,220,834</u>
<u>-</u>	<u>1,286,383</u>
1,066,158	(185,621)
<u>(19,850,041)</u>	<u>(19,852,678)</u>
(18,783,883)	(20,038,299)
<u>31,853,862</u>	<u>33,869,430</u>
\$ <u><u>13,069,979</u></u>	\$ <u><u>13,831,131</u></u>

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
IMPROVED JAIL PROJECT FUND
For the Year Ended November 30, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Investment income	\$ -	\$ -	\$ 555	\$ 555
EXPENDITURES				
Capital outlay	<u>-</u>	<u>33,397</u>	<u>32,297</u>	<u>1,100</u>
Deficiency of revenues over expenditures	-	(33,397)	(31,742)	1,655
OTHER FINANCING USES				
Transfers out	<u>-</u>	<u>(2,586)</u>	<u>(2,585)</u>	<u>(1)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ (35,983)</u>	(34,327)	<u>\$ 1,654</u>
Fund Balance - Beginning of Year			<u>34,327</u>	
Fund Balance - End of Year			<u>\$ -</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
COUNTY COURTS AND RELATED SERVICES FUND
For the Year Ended November 30, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Investment income	\$ -	\$ -	\$ 1	\$ 1
EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	-	-	1	1
OTHER FINANCING USES				
Transfers out	<u>-</u>	<u>(53)</u>	<u>(52)</u>	<u>1</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ (53)</u>	<u>(51)</u>	<u>\$ 2</u>
Fund Balance - Beginning of Year			<u>51</u>	
Fund Balance - End of Year			<u>\$ -</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ANIMAL CONTROL / PERFORMANCE CONTRACT FUND
For the Year Ended November 30, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Investment income	\$ <u>15,000</u>	\$ <u>15,000</u>	\$ <u>17,449</u>	\$ <u>2,449</u>
EXPENDITURES				
Current				
General and administrative				
Contractual services	3,527	67,183	65,549	1,634
Capital outlay	<u>2,019</u>	<u>944,677</u>	<u>944,418</u>	<u>259</u>
Total Expenditures	<u>5,546</u>	<u>1,011,860</u>	<u>1,009,967</u>	<u>1,893</u>
Net Change in Fund Balance	\$ <u><u>9,454</u></u>	\$ <u><u>(996,860)</u></u>	(992,518)	\$ <u><u>4,342</u></u>
Fund Balance - Beginning of Year			<u>1,173,556</u>	
Fund Balance - End of Year			\$ <u><u>181,038</u></u>	

County of McHenry, Illinois
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 SHERIFF RADIO SYSTEM FUND
 For the Year Ended November 30, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Investment income	\$ -	\$ -	\$ 16,599	\$ 16,599
EXPENDITURES				
Capital outlay	<u>-</u>	<u>732,358</u>	<u>244,119</u>	<u>488,239</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ (732,358)</u>	(227,520)	<u>\$ 504,838</u>
Fund Balance - Beginning of Year			<u>807,634</u>	
Fund Balance - End of Year			<u>\$ 580,114</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ROAD IMPROVEMENT PROJECT FUND
For the Year Ended November 30, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Investment income	\$ 500,000	\$ 500,000	\$ 1,066,158	\$ 566,158
EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	500,000	500,000	1,066,158	566,158
OTHER FINANCING USES				
Transfers out	<u>(35,624,820)</u>	<u>(35,624,820)</u>	<u>(19,850,041)</u>	<u>15,774,779</u>
Net Change in Fund Balance	<u>\$ (35,124,820)</u>	<u>\$ (35,124,820)</u>	(18,783,883)	<u>\$ 16,340,937</u>
Fund Balance - Beginning of Year			<u>31,853,862</u>	
Fund Balance - End of Year			<u>\$ 13,069,979</u>	

NONMAJOR PERMANENT FUNDS

Working Cash I and II Funds – to account for funds raised through property tax levies and interest income. Funds are available for loans to other funds. The principal portion of the fund may not be expended.

County of McHenry, Illinois
COMBINING BALANCE SHEET
NONMAJOR PERMANENT FUNDS
November 30, 2008

	Working Cash No. 1 Fund	Working Cash No. 2 Fund	Totals
ASSETS			
Cash and equivalents	\$ <u>340,124</u>	\$ <u>481,844</u>	\$ <u>821,968</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Due to other funds	\$ 8,829	\$ 12,571	\$ 21,400
Fund Balances			
Reserved for working cash	<u>331,295</u>	<u>469,273</u>	<u>800,568</u>
TOTAL LIABILITIES AND FUND BALANCES	\$ <u>340,124</u>	\$ <u>481,844</u>	\$ <u>821,968</u>

County of McHenry, Illinois
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES
 NONMAJOR PERMANENT FUNDS
For the Year Ended November 30, 2008

	Working Cash No. 1 Fund	Working Cash No. 2 Fund	Totals
REVENUES			
Investment income	\$ 8,829	\$ 12,571	\$ 21,400
EXPENDITURES	-	-	-
Excess of revenues over expenditures	8,829	12,571	21,400
OTHER FINANCING USES			
Transfers out	(8,829)	(12,571)	(21,400)
Net Change in Fund Balances	-	-	-
Fund Balances - Beginning of Year	331,295	469,273	800,568
Fund Balances - End of Year	\$ 331,295	\$ 469,273	\$ 800,568

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
WORKING CASH NO. 1 FUND
For the Year Ended November 30, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Investment income	\$ 10,000	\$ 10,000	\$ 8,829	\$ (1,171)
EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	10,000	10,000	8,829	(1,171)
OTHER FINANCING USES				
Transfers out	<u>(10,000)</u>	<u>(10,000)</u>	<u>(8,829)</u>	<u>1,171</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund Balance - Beginning of Year			<u>331,295</u>	
Fund Balance - End of Year			<u>\$ 331,295</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
WORKING CASH NO. 2 FUND
For the Year Ended November 30, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Investment income	\$ 20,000	\$ 20,000	\$ 12,571	\$ (7,429)
EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	20,000	20,000	12,571	(7,429)
OTHER FINANCING USES				
Transfers out	<u>(20,000)</u>	<u>(20,000)</u>	<u>(12,571)</u>	<u>7,429</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance - Beginning of Year			<u>469,273</u>	
Fund Balance - End of Year			<u>\$ 469,273</u>	

ENTERPRISE FUNDS

Major Fund:

Valley Hi Fund – to account for the activities of the Valley Hi nursing home.

Nonmajor Fund:

911 Fund (Emergency Telephone Services Board Fund) – to account for funds raised through a telephone surcharge tax on each telephone line in the County. The money collected is distributed to this fund net of a small collection charge retained by the telephone company. The funds are used to operate and equip a 911 telephone dispatch center within the County area.

County of McHenry, Illinois
SCHEDULE OF OPERATING AND NONOPERATING REVENUES AND EXPENSES -
BUDGET AND ACTUAL (BUDGETARY BASIS)
VALLEY HI FUND
For the Year Ended November 30, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget
OPERATING REVENUES				
Charges for services	\$ 5,917,000	\$ 5,917,000	\$ 6,783,926	\$ 866,926
Other	<u>8,000</u>	<u>8,000</u>	<u>6,401</u>	<u>(1,599)</u>
Total Operating Revenues	<u>\$ 5,925,000</u>	<u>\$ 5,925,000</u>	<u>\$ 6,790,327</u>	<u>\$ 865,327</u>
OPERATING EXPENSES				
Personnel services	\$ 6,066,102	\$ 5,511,102	\$ 5,295,462	\$ 215,640
Contractual services	1,837,949	2,374,233	2,361,990	12,243
Commodities	<u>652,067</u>	<u>801,128</u>	<u>801,128</u>	<u>-</u>
Total operating expenses before capital outlay	<u>8,556,118</u>	<u>8,686,463</u>	<u>8,458,580</u>	<u>227,883</u>
Capital outlay	45,049	44,704	37,829	6,875
Less: assets capitalized	<u>-</u>	<u>(37,829)</u>	<u>(37,829)</u>	<u>-</u>
Adjusted capital outlay	<u>45,049</u>	<u>6,875</u>	<u>-</u>	<u>6,875</u>
Total Operating Expenses (excluding depreciation and amortization)	<u>\$ 8,601,167</u>	<u>\$ 8,693,338</u>	<u>\$ 8,458,580</u>	<u>\$ 234,758</u>
NONOPERATING REVENUES				
Property taxes	\$ 6,000,000	\$ 6,000,000	\$ 5,932,935	\$ (67,065)
Investment income	<u>452,000</u>	<u>452,000</u>	<u>447,854</u>	<u>(4,146)</u>
Total Nonoperating Revenues	<u>\$ 6,452,000</u>	<u>\$ 6,452,000</u>	<u>\$ 6,380,789</u>	<u>\$ (71,211)</u>
NONOPERATING EXPENSES				
Interest expense	<u>\$ 453,657</u>	<u>\$ 453,657</u>	<u>\$ 435,380</u>	<u>\$ 18,277</u>

County of McHenry, Illinois
SCHEDULE OF OPERATING AND NONOPERATING REVENUES AND EXPENSES -
BUDGET AND ACTUAL (BUDGETARY BASIS)
911 FUND
For the Year Ended November 30, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget
OPERATING REVENUES				
Charges for services	\$ <u>2,056,000</u>	\$ <u>2,056,000</u>	\$ <u>3,223,595</u>	\$ <u>1,167,595</u>
OPERATING EXPENSES				
Personnel services	\$ 301,200	\$ 301,200	\$ 272,651	\$ 28,549
Contractual services	1,755,800	1,606,700	1,353,540	253,160
Commodities	<u>365,500</u>	<u>329,300</u>	<u>43,226</u>	<u>286,074</u>
Total operating expenses before capital outlay	<u>2,422,500</u>	<u>2,237,200</u>	<u>1,669,417</u>	<u>567,783</u>
Capital outlay	289,000	592,553	424,680	167,873
Less: assets capitalized	<u>-</u>	<u>(424,680)</u>	<u>(424,680)</u>	<u>-</u>
Adjusted capital outlay	<u>289,000</u>	<u>167,873</u>	<u>-</u>	<u>167,873</u>
Total Operating Expenses (excluding depreciation)	<u>\$ 2,711,500</u>	<u>\$ 2,405,073</u>	<u>\$ 1,669,417</u>	<u>\$ 735,656</u>
NONOPERATING REVENUES				
Investment income	\$ <u>90,000</u>	\$ <u>90,000</u>	\$ <u>100,119</u>	\$ <u>10,119</u>
NONOPERATING EXPENSES				
Loss on disposal of capital assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 68,036</u>	<u>\$ (68,036)</u>

INTERNAL SERVICE FUNDS

Insurance Loss Fund – to account for general liability, property, worker’s compensation, and unemployment compensation insurance premiums and claims.

Health Insurance Fund – to account for employee medical, dental, and prescription insurance premiums and claims.

County of McHenry, Illinois
COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
November 30, 2008

	<u>Insurance Loss</u>	<u>Health Insurance</u>	<u>Totals</u>
ASSETS			
Current			
Cash and equivalents	\$ 11,765,863	\$ 1,386,996	\$ 13,152,859
Property taxes receivable	4,076,468	-	4,076,468
Other receivables	208,850	-	208,850
Due from other funds	<u>202,561</u>	<u>944,699</u>	<u>1,147,260</u>
Total Assets	<u>16,253,742</u>	<u>2,331,695</u>	<u>18,585,437</u>
LIABILITIES			
Current			
Accounts payable	30,300	1,050	31,350
Accrued payroll	15,509	-	15,509
Unearned revenue	4,000,000	-	4,000,000
Due to other funds	6,305	-	6,305
Other liabilities	200,000	-	200,000
Compensated absences	4,466	-	4,466
Claims and judgments	1,117,368	1,719,759	2,837,127
Noncurrent			
Compensated absences	8,932	-	8,932
Claims and judgments	<u>5,780,409</u>	<u>-</u>	<u>5,780,409</u>
Total Liabilities	<u>11,163,289</u>	<u>1,720,809</u>	<u>12,884,098</u>
NET ASSETS - UNRESTRICTED	<u>\$ 5,090,453</u>	<u>\$ 610,886</u>	<u>\$ 5,701,339</u>

County of McHenry, Illinois
COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET ASSETS
INTERNAL SERVICE FUNDS
For the Year Ended November 30, 2008

	Insurance Loss	Health Insurance	Totals
OPERATING REVENUES			
Charges for services	\$ 202,561	\$ 13,036,302	\$ 13,238,863
Insurance recoveries	134,492	-	134,492
Total Operating Revenues	337,053	13,036,302	13,373,355
OPERATING EXPENSES			
Personnel services	838,184	-	838,184
Contractual services	6,199,611	12,543,540	18,743,151
Commodities	6,637	-	6,637
Total Operating Expenses	7,044,432	12,543,540	19,587,972
Operating income (loss)	(6,707,379)	492,762	(6,214,617)
NONOPERATING REVENUES			
Property taxes	4,449,719	-	4,449,719
Investment income	2,029	34,810	36,839
Total Nonoperating Revenues	4,451,748	34,810	4,486,558
Net Change in Net Assets	(2,255,631)	527,572	(1,728,059)
Net Assets - Beginning of Year	7,346,084	83,314	7,429,398
Net Assets - End of Year	<u>\$ 5,090,453</u>	<u>\$ 610,886</u>	<u>\$ 5,701,339</u>

County of McHenry, Illinois
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended November 30, 2008

	Insurance Loss	Health Insurance	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from fees and charges for services	\$ 188,898	\$ 13,096,010	\$ 13,284,908
Cash received from insurance recoveries	134,492	-	134,492
Payments to employees	(842,288)	-	(842,288)
Payments to third party administrator	(1,299,623)	(12,428,652)	(13,728,275)
Payments to suppliers	(1,425,633)	(80,945)	(1,506,578)
Net Cash Flows from Operating Activities	<u>(3,244,154)</u>	<u>586,413</u>	<u>(2,657,741)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Property taxes received	<u>4,373,456</u>	<u>-</u>	<u>4,373,456</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash receipts from investment income	<u>2,029</u>	<u>34,810</u>	<u>36,839</u>
Net Increase in Cash and Equivalents	1,131,331	621,223	1,752,554
Cash and Equivalents - Beginning of Year	<u>10,634,532</u>	<u>765,773</u>	<u>11,400,305</u>
Cash and Equivalents - End of Year	<u>\$ 11,765,863</u>	<u>\$ 1,386,996</u>	<u>\$ 13,152,859</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOW FROM OPERATING ACTIVITIES			
Operating income (loss)	\$ (6,707,379)	\$ 492,762	\$ (6,214,617)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities			
Change in assets and liabilities			
Other receivables	(170,419)	-	(170,419)
Due from other funds	(42,948)	59,708	16,760
Accounts payable	3,221	(1,226)	1,995
Accrued payroll	372	-	372
Due to other funds	(296)	-	(296)
Other liabilities	200,000	-	200,000
Compensated absences	(4,476)	-	(4,476)
Claims and judgments	3,477,771	35,169	3,512,940
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ (3,244,154)</u>	<u>\$ 586,413</u>	<u>\$ (2,657,741)</u>

County of McHenry, Illinois
SCHEDULE OF OPERATING AND NONOPERATING REVENUES AND
EXPENSES - BUDGET AND ACTUAL
INSURANCE LOSS FUND
For the Year Ended November 30, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
OPERATING REVENUES				
Charges for services	\$ 153,000	\$ 153,000	\$ 202,561	\$ 49,561
Insurance recoveries	<u>45,000</u>	<u>45,000</u>	<u>134,492</u>	<u>89,492</u>
	<u>\$ 198,000</u>	<u>\$ 198,000</u>	<u>\$ 337,053</u>	<u>\$ 139,053</u>
OPERATING EXPENSES				
Personnel services	\$ 950,838	\$ 950,838	\$ 838,184	\$ 112,654
Contractual services	2,511,676	6,199,612	6,199,611	1
Commodities	<u>15,250</u>	<u>15,250</u>	<u>6,637</u>	<u>8,613</u>
Total Operating Expenses	<u>\$ 3,477,764</u>	<u>\$ 7,165,700</u>	<u>\$ 7,044,432</u>	<u>\$ 121,268</u>
NONOPERATING REVENUES				
Property taxes	\$ 4,500,000	\$ 4,500,000	\$ 4,449,719	\$ (50,281)
Investment income	<u>2,600</u>	<u>2,600</u>	<u>2,029</u>	<u>(571)</u>
Total Nonoperating Revenues	<u>\$ 4,502,600</u>	<u>\$ 4,502,600</u>	<u>\$ 4,451,748</u>	<u>\$ (50,852)</u>

County of McHenry, Illinois
 SCHEDULE OF OPERATING AND NONOPERATING REVENUES AND
 EXPENSES - BUDGET AND ACTUAL
 HEALTH INSURANCE FUND
 For the Year Ended November 30, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
OPERATING REVENUES				
Charges for services	\$ <u>14,427,321</u>	\$ <u>14,427,321</u>	\$ <u>13,036,302</u>	\$ <u>(1,391,019)</u>
OPERATING EXPENSES				
Contractual services	\$ <u>14,436,321</u>	\$ <u>14,436,321</u>	\$ <u>12,543,540</u>	\$ <u>1,892,781</u>
NONOPERATING REVENUES				
Investment income	\$ <u>-</u>	\$ <u>-</u>	\$ <u>34,810</u>	\$ <u>34,810</u>

AGENCY FUNDS

Treasurer Fund – to account for the funds held by the Treasurer as an agent responsible for drainage districts, the inheritance tax account, protested taxes, tax sales escrow, and interest earned on real estate taxes.

Clerk of the Circuit Court Fund – to account for the funds held by the Clerk of the Circuit Court as an agent for the courts.

Highway Fund – to account for township motor fuel tax funds held by the Division of Transportation.

Valley Hi Resident Fund – to account for the funds held by Valley Hi Nursing Home as an agent for residents and donations made for the benefit of the residents.

County Clerk Redemption Fund – to account for the funds held by the County Clerk as an agent for delinquent tax payers.

Collector Fund – to account for the funds held by the County as an agent responsible for collecting property taxes.

Illinois Housing Surcharge Fund - to account for the rental housing support program surcharge that is collected for the recording of real estate documents and remitted to the State.

County of McHenry, Illinois
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
November 30, 2008

	<u>Treasurer Fund</u>	<u>Clerk of the Circuit Court Fund</u>	<u>Highway Fund</u>	<u>Valley Hi Resident Fund</u>
ASSETS				
Cash and equivalents	\$ 1,362,899	\$ 4,505,372	\$ 982,396	\$ 58,012
Due from other governments	<u>-</u>	<u>-</u>	<u>67,306</u>	<u>-</u>
Total Assets	<u>\$ 1,362,899</u>	<u>\$ 4,505,372</u>	<u>\$ 1,049,702</u>	<u>\$ 58,012</u>
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ 311,132	\$ -
Due to residents	-	-	-	58,012
Bond escrow	-	3,294,909	-	-
Due to other governments	1,362,899	600,105	738,570	-
Other liabilities	<u>-</u>	<u>610,358</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>\$ 1,362,899</u>	<u>\$ 4,505,372</u>	<u>\$ 1,049,702</u>	<u>\$ 58,012</u>

County Clerk Redemption Fund	Collector Fund	Illinois Housing Surcharge Fund	Totals
\$ 735,653	\$ 3,008,892	\$ 25,785	\$ 10,679,009
<u>-</u>	<u>-</u>	<u>-</u>	<u>67,306</u>
<u>\$ 735,653</u>	<u>\$ 3,008,892</u>	<u>\$ 25,785</u>	<u>\$ 10,746,315</u>
\$ -	\$ -	\$ -	\$ 311,132
-	-	-	58,012
-	-	-	3,294,909
-	3,008,892	25,785	5,736,251
<u>735,653</u>	<u>-</u>	<u>-</u>	<u>1,346,011</u>
<u>\$ 735,653</u>	<u>\$ 3,008,892</u>	<u>\$ 25,785</u>	<u>\$ 10,746,315</u>

County of McHenry, Illinois
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
 AGENCY FUNDS
 For the Year Ended November 30, 2008

	Balance December 1, 2007	Additions	Deductions	Balance November 30, 2008
Treasurer Fund				
ASSETS				
Cash and equivalents	\$ 1,291,781	\$ 7,417,334	\$ 7,346,216	\$ 1,362,899
LIABILITIES				
Due to other governments	\$ 1,291,781	\$ 7,417,334	\$ 7,346,216	\$ 1,362,899
Clerk of the Circuit Court Fund				
ASSETS				
Cash and equivalents	\$ 4,752,881	\$ 30,521,355	\$ 30,768,864	\$ 4,505,372
LIABILITIES				
Bond escrow	\$ 3,338,647	\$ 6,383,299	\$ 6,427,037	\$ 3,294,909
Due to other governments	685,644	17,727,778	17,813,317	600,105
Other liabilities	728,590	6,410,278	6,528,510	610,358
Total Liabilities	\$ 4,752,881	\$ 30,521,355	\$ 30,768,864	\$ 4,505,372
Highway Fund				
ASSETS				
Cash and equivalents	\$ 1,000,541	\$ 1,122,961	\$ 1,141,106	\$ 982,396
Due from other governments	85,561	-	18,255	67,306
Total Assets	\$ 1,086,102	\$ 1,122,961	\$ 1,159,361	\$ 1,049,702
LIABILITIES				
Accounts payable	\$ 161,410	\$ 1,232,877	\$ 1,083,155	\$ 311,132
Due to other governments	924,692	1,081,770	1,267,892	738,570
Total Liabilities	\$ 1,086,102	\$ 2,314,647	\$ 2,351,047	\$ 1,049,702
Valley Hi Resident Fund				
ASSETS				
Cash and equivalents	\$ 59,007	\$ 67,459	\$ 68,454	\$ 58,012
LIABILITIES				
Due to residents	\$ 59,007	\$ 67,459	\$ 68,454	\$ 58,012

(Continued)

County of McHenry, Illinois
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
 AGENCY FUNDS
 For the Year Ended November 30, 2008

	Balance December 1, 2007	Additions	Deductions	Balance November 30, 2008
County Clerk Redemption Fund				
ASSETS				
Cash and equivalents	\$ 682,618	\$ 11,915,550	\$ 11,862,515	\$ 735,653
LIABILITIES				
Other liabilities	\$ 682,618	\$ 11,915,550	\$ 11,862,515	\$ 735,653
Collector Fund				
ASSETS				
Cash and equivalents	\$ 1,903,481	\$ 835,077,150	\$ 833,971,739	\$ 3,008,892
Other receivable	9,600,313	-	9,600,313	-
	\$ 11,503,794	\$ 835,077,150	\$ 843,572,052	\$ 3,008,892
LIABILITIES				
Due to other governments	\$ 11,503,794	\$ 835,077,150	\$ 843,572,052	\$ 3,008,892
Illinois Housing Surcharge Fund				
ASSETS				
Cash and equivalents	\$ 48,663	\$ 520,488	\$ 543,366	\$ 25,785
LIABILITIES				
Due to other governments	\$ 48,663	\$ 520,488	\$ 543,366	\$ 25,785
Totals				
ASSETS				
Cash and equivalents	\$ 9,738,972	\$ 886,642,297	\$ 885,702,260	\$ 10,679,009
Due from other governments	85,561	-	18,255	67,306
Other receivable	9,600,313	-	9,600,313	-
Total Assets	\$ 19,424,846	\$ 886,642,297	\$ 895,320,828	\$ 10,746,315
LIABILITIES				
Accounts payable	\$ 161,410	\$ 1,232,877	\$ 1,083,155	\$ 311,132
Due to residents	59,007	67,459	68,454	58,012
Bond escrow	3,338,647	6,383,299	6,427,037	3,294,909
Due to other governments	14,454,574	861,824,520	870,542,843	5,736,251
Other liabilities	1,411,208	18,325,828	18,391,025	1,346,011
Total Liabilities	\$ 19,424,846	\$ 887,833,983	\$ 896,512,514	\$ 10,746,315

(Concluded)

STATISTICAL

County of McHenry, Illinois
INTRODUCTION TO THE STATISTICAL SECTION
November 30, 2008

STATISTICAL SECTION

This part of the County's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, notes to financial statements, and required supplementary information indicate about the County's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.	160 - 166
Revenue Capacity These schedules contain information to help the reader assess the factors affecting the County's ability to generate the County's most significant own-source revenue, property taxes.	167 - 171
Debt Capacity These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.	172 - 176
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place and to help make comparisons over time and with other governments.	177 - 178
Operating Information These schedules contain information about the County's operations and resources to help the reader understand how the County's financial information relates to the services the County provides and the activities it performs.	179 - 181

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The County implemented Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.

County of McHenry, Illinois
NET ASSETS - BY COMPONENT
Last Six Fiscal Years

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Governmental Activities						
Invested in capital assets, net of related debt	\$ 107,715,887	\$ 134,784,412	\$ 145,163,278	\$ 154,597,466	\$ 168,077,235	\$ 186,108,100
Restricted	57,666,190	51,379,812	61,238,252	72,186,833	83,884,874	94,814,206
Unrestricted	<u>30,047,980</u>	<u>31,772,567</u>	<u>39,567,120</u>	<u>44,583,626</u>	<u>50,060,006</u>	<u>43,594,428</u>
Total Governmental Activities	<u>\$ 195,430,057</u>	<u>\$ 217,936,791</u>	<u>\$ 245,968,650</u>	<u>\$ 271,367,925</u>	<u>\$ 302,022,115</u>	<u>\$ 324,516,734</u>
Business-Type Activities						
Invested in capital assets, net of related debt	\$ 2,083,807	\$ 2,833,585	\$ 2,960,686	\$ 5,061,542	\$ 4,531,583	\$ 4,568,317
Restricted	-	-	-	-	411,176	41,191
Unrestricted	<u>4,551,688</u>	<u>6,842,523</u>	<u>10,931,627</u>	<u>13,770,255</u>	<u>16,996,918</u>	<u>22,272,580</u>
Total Business-Type Activities	<u>\$ 6,635,495</u>	<u>\$ 9,676,108</u>	<u>\$ 13,892,313</u>	<u>\$ 18,831,797</u>	<u>\$ 21,939,677</u>	<u>\$ 26,882,088</u>
Primary Government						
Invested in capital assets, net of related debt	\$ 109,799,694	\$ 137,617,997	\$ 148,123,964	\$ 159,659,008	\$ 172,608,818	\$ 190,676,417
Restricted	57,666,190	51,379,812	61,238,252	72,186,833	84,296,050	94,855,397
Unrestricted	<u>34,599,668</u>	<u>38,615,090</u>	<u>50,498,747</u>	<u>58,353,881</u>	<u>67,056,924</u>	<u>65,867,008</u>
Total Primary Government	<u>\$ 202,065,552</u>	<u>\$ 227,612,899</u>	<u>\$ 259,860,963</u>	<u>\$ 290,199,722</u>	<u>\$ 323,961,792</u>	<u>\$ 351,398,822</u>

Note: Government-wide information is available back to 2003, the year GASB Statement 34 was implemented.

County of McHenry, Illinois
CHANGES IN NET ASSETS
Last Six Fiscal Years

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
EXPENSES						
Governmental Activities						
General and administrative	\$ 23,676,820	\$ 27,646,469	\$ 28,374,915	\$ 33,304,143	\$ 28,649,900	\$ 36,269,025
Community development	3,218,942	3,179,212	3,554,274	2,678,785	3,449,524	2,169,597
Transportation	11,338,648	10,959,478	10,246,229	10,997,498	12,260,312	13,292,664
Public safety	20,217,208	22,165,042	24,600,341	28,854,125	30,956,789	33,132,115
Judiciary and court related	9,666,987	9,959,549	10,056,275	10,916,010	12,829,189	13,518,255
Public health and welfare	17,433,720	19,546,619	21,190,249	23,454,095	24,368,771	27,184,973
Interest and fiscal charges	816,003	1,051,569	1,125,887	1,257,230	2,149,414	3,312,029
Total Governmental Activities	<u>86,368,328</u>	<u>94,507,938</u>	<u>99,148,170</u>	<u>111,461,886</u>	<u>114,663,899</u>	<u>128,878,658</u>
Business-Type Activities						
Public health and welfare	6,758,361	6,983,097	7,374,613	7,515,927	9,737,659	9,541,020
Public safety	1,282,811	1,423,930	1,443,884	1,652,536	1,979,992	2,011,399
Total Business-Type Activities	<u>8,041,172</u>	<u>8,407,027</u>	<u>8,818,497</u>	<u>9,168,463</u>	<u>11,717,651</u>	<u>11,552,419</u>
Total Primary Government	<u>\$ 94,409,500</u>	<u>\$ 102,914,965</u>	<u>\$ 107,966,667</u>	<u>\$ 120,630,349</u>	<u>\$ 126,381,550</u>	<u>\$ 140,431,077</u>
PROGRAM REVENUES						
Governmental Activities						
Charges for services						
General and administrative	\$ 6,484,995	\$ 5,987,596	\$ 5,969,389	\$ 6,283,160	\$ 5,778,519	\$ 5,135,160
Community development	1,507,319	1,424,704	1,445,958	1,518,472	1,075,295	804,410
Transportation	311,211	185,824	124,566	114,214	135,169	96,965
Public safety	3,867,254	4,792,507	4,029,496	9,641,669	10,488,124	12,064,091
Judiciary and court related	6,784,695	7,237,267	8,335,964	8,339,350	9,595,094	9,745,480
Public health and welfare	1,696,503	1,796,044	1,737,788	1,818,859	1,964,354	2,038,370
Operating grants and contributions	15,462,135	16,274,639	22,196,108	18,505,216	23,600,690	22,656,506
Capital grants and contributions	2,462,830	3,172,853	1,050,053	2,223,295	3,800,048	5,141,148
Total Governmental Activities	<u>38,576,942</u>	<u>40,871,434</u>	<u>44,889,322</u>	<u>48,444,235</u>	<u>56,437,293</u>	<u>57,682,130</u>

County of McHenry, Illinois
CHANGES IN NET ASSETS (Continued)
Last Six Fiscal Years

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
PROGRAM REVENUES (Continued)						
Business-Type Activities						
Charges for services						
Public health and welfare	\$ 5,415,908	\$ 5,429,848	\$ 5,513,459	\$ 5,475,126	\$ 6,702,116	\$ 6,790,327
Public safety	<u>1,854,087</u>	<u>1,932,388</u>	<u>1,966,275</u>	<u>2,032,278</u>	<u>2,209,926</u>	<u>3,223,595</u>
Total Business-Type Activities	<u>7,269,995</u>	<u>7,362,236</u>	<u>7,479,734</u>	<u>7,507,404</u>	<u>8,912,042</u>	<u>10,013,922</u>
Total Primary Government	<u>\$ 45,846,937</u>	<u>\$ 48,233,670</u>	<u>\$ 52,369,056</u>	<u>\$ 55,951,639</u>	<u>\$ 65,349,335</u>	<u>\$ 67,696,052</u>
NET (EXPENSE)/REVENUE						
Governmental Activities	\$ (47,791,386)	\$ (53,636,504)	\$ (54,258,848)	\$ (63,017,651)	\$ (58,226,606)	\$ (71,196,528)
Business-Type Activities	<u>(771,177)</u>	<u>(1,044,791)</u>	<u>(1,338,763)</u>	<u>(1,661,059)</u>	<u>(2,805,609)</u>	<u>(1,538,497)</u>
Total Primary Government	<u>\$ (48,562,563)</u>	<u>\$ (54,681,295)</u>	<u>\$ (55,597,611)</u>	<u>\$ (64,678,710)</u>	<u>\$ (61,032,215)</u>	<u>\$ (72,735,025)</u>
GENERAL REVENUES AND TRANSFERS						
Governmental Activities						
Property taxes	\$ 39,737,955	\$ 46,269,635	\$ 51,157,800	\$ 56,249,505	\$ 60,175,903	\$ 63,395,685
Sales taxes	7,784,840	8,581,519	8,956,331	9,580,333	9,533,202	15,003,386
State income taxes	4,221,606	4,317,250	5,057,081	5,465,713	5,875,908	6,214,390
Tax transfer stamps	4,138,288	4,399,145	5,025,204	4,631,095	3,264,738	1,968,253
Other taxes	5,828,875	6,717,627	6,582,582	6,575,678	1,804,030	2,173,857
Investment income	974,181	1,102,691	2,669,378	5,006,956	6,713,449	4,577,645
Miscellaneous	366,062	695,973	491,906	792,329	610,444	357,931
Gain on sale of capital assets	43,200	29,538	-	115,317	71,889	-
Transfers	-	-	-	-	831,233	-
Total Governmental Activities	<u>63,095,007</u>	<u>72,113,378</u>	<u>79,940,282</u>	<u>88,416,926</u>	<u>88,880,796</u>	<u>93,691,147</u>
Business-Type Activities						
Property taxes	2,999,731	3,998,695	5,320,288	5,996,097	5,998,876	5,932,935
Investment income	57,517	86,709	234,680	479,999	745,846	547,973
Transfers	-	-	-	-	(831,233)	-
Total Business-Type Activities	<u>3,057,248</u>	<u>4,085,404</u>	<u>5,554,968</u>	<u>6,476,096</u>	<u>5,913,489</u>	<u>6,480,908</u>
Total Primary Government	<u>\$ 66,152,255</u>	<u>\$ 76,198,782</u>	<u>\$ 85,495,250</u>	<u>\$ 94,893,022</u>	<u>\$ 94,794,285</u>	<u>\$ 100,172,055</u>
CHANGE IN NET ASSETS						
Governmental Activities	\$ 15,303,621	\$ 18,476,874	\$ 25,681,434	\$ 25,399,275	\$ 30,654,190	\$ 22,494,619
Business-Type Activities	<u>2,286,071</u>	<u>3,040,613</u>	<u>4,216,205</u>	<u>4,815,037</u>	<u>3,107,880</u>	<u>4,942,411</u>
Total Primary Government	<u>\$ 17,589,692</u>	<u>\$ 21,517,487</u>	<u>\$ 29,897,639</u>	<u>\$ 30,214,312</u>	<u>\$ 33,762,070</u>	<u>\$ 27,437,030</u>

Note: Government-wide information is available back to 2003, the year GASB Statement 34 was implemented.

County of McHenry, Illinois
FUND BALANCES - GOVERNMENTAL FUNDS
Last Ten Fiscal Years

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
General Fund					
Reserved	\$ 899,198	\$ 1,046,551	\$ 1,676,686	\$ 2,149,583	\$ 1,160,301
Unreserved	<u>6,670,259</u>	<u>9,598,370</u>	<u>14,421,573</u>	<u>18,927,542</u>	<u>25,203,850</u>
Total General Fund	<u>\$ 7,569,457</u>	<u>\$ 10,644,921</u>	<u>\$ 16,098,259</u>	<u>\$ 21,077,125</u>	<u>\$ 26,364,151</u>
All Other Governmental Funds					
Reserved	\$ 1,748,978	\$ 1,597,681	\$ 3,285,658	\$ 9,628,742	\$ 12,815,996
Unreserved					
Special revenue funds	30,564,712	37,197,812	41,475,770	48,977,382	43,737,269
Capital projects funds	<u>-</u>	<u>-</u>	<u>107,664</u>	<u>365,968</u>	<u>83,390</u>
Total All Other Governmental Funds	<u>\$ 32,313,690</u>	<u>\$ 38,795,493</u>	<u>\$ 44,869,092</u>	<u>\$ 58,972,092</u>	<u>\$ 56,636,655</u>

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
\$	903,109	\$ 981,546	\$ 1,841,063	\$ 3,367,690	\$ 4,896,687
	<u>31,409,259</u>	<u>35,354,484</u>	<u>39,680,368</u>	<u>42,525,921</u>	<u>38,848,139</u>
\$	<u><u>32,312,368</u></u>	<u><u>36,336,030</u></u>	<u><u>41,521,431</u></u>	<u><u>45,893,611</u></u>	<u><u>43,744,826</u></u>
\$	11,692,162	\$ 10,994,326	\$ 15,815,383	\$ 17,104,118	\$ 21,158,012
	39,168,190	50,058,502	54,420,402	64,119,701	66,212,656
	<u>7,335,205</u>	<u>3,935,868</u>	<u>3,605,068</u>	<u>32,098,411</u>	<u>13,341,272</u>
\$	<u><u>58,195,557</u></u>	<u><u>64,988,696</u></u>	<u><u>73,840,853</u></u>	<u><u>113,322,230</u></u>	<u><u>100,711,940</u></u>

County of McHenry, Illinois
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
Last Ten Fiscal Years

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
REVENUES					
Charges for services	\$ 9,157,999	\$ 8,763,988	\$ 10,767,595	\$ 11,279,473	\$ 17,038,547
Licenses and permits	1,975,624	1,761,695	1,983,801	2,130,028	2,265,291
Fines and forfeitures	1,223,715	1,177,429	1,470,894	1,626,846	1,391,334
Grants, contributions, and intergovernmental	17,112,848	19,236,618	21,401,173	23,192,356	16,131,921
Property taxes	28,873,564	29,839,769	32,669,964	34,303,278	37,253,009
Sales taxes	8,020,907	8,467,350	8,250,168	8,236,730	7,784,840
State income taxes	3,186,927	3,417,870	4,015,588	4,468,725	4,221,606
Tax transfer stamps	2,568,014	2,729,338	3,194,504	3,500,919	4,138,288
Other taxes	1,261,158	1,800,970	1,598,733	1,521,692	5,889,875
Investment income	1,795,985	2,663,024	2,430,418	1,185,448	972,077
Miscellaneous	616,239	881,333	813,303	741,935	409,262
Total Revenues	<u>75,792,980</u>	<u>80,739,384</u>	<u>88,596,141</u>	<u>92,187,430</u>	<u>97,496,050</u>
EXPENDITURES					
Current					
General and administrative	22,363,165	18,980,988	21,450,579	24,271,274	19,616,747
Community development	-	-	-	-	3,312,053
Transportation	4,325,019	4,798,834	6,581,914	6,608,470	8,238,014
Public safety	12,174,157	13,594,448	14,664,024	15,149,990	19,084,234
Judiciary and court related	6,989,737	6,792,147	7,218,297	7,596,915	9,576,539
Public health and welfare	12,401,939	12,686,930	13,773,514	14,776,174	17,514,954
Retirement	4,576,167	4,543,788	4,698,886	4,519,566	-
Capital outlay	2,533,019	3,642,363	7,340,660	7,433,557	13,057,462
Debt service					
Principal retirement	4,953,483	4,792,152	5,071,764	9,115,516	5,581,736
Interest and fiscal charges	1,278,540	863,773	734,850	817,140	737,564
Total Expenditures	<u>71,595,226</u>	<u>70,695,423</u>	<u>81,534,488</u>	<u>90,288,602</u>	<u>96,719,303</u>
Excess (deficiency) of revenues over expenditures	<u>4,197,754</u>	<u>10,043,961</u>	<u>7,061,653</u>	<u>1,898,828</u>	<u>776,747</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	304,484	247,168	1,091,364	960,054	1,878,972
Transfers out	(1,016,132)	(733,862)	(1,670,743)	(1,099,347)	(2,397,170)
Refunding debt certificates issued	-	-	-	-	-
Other debt issued	3,781,685	-	4,710,910	15,993,669	300,000
Payment to bond escrow agent	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	2,604,805	-
Total Other Financing Sources (Uses)	<u>3,070,037</u>	<u>(486,694)</u>	<u>4,131,531</u>	<u>18,459,181</u>	<u>(218,198)</u>
Net Change in Fund Balances	<u>\$ 7,267,791</u>	<u>\$ 9,557,267</u>	<u>\$ 11,193,184</u>	<u>\$ 20,358,009</u>	<u>\$ 558,549</u>
Debt service as a percentage of noncapital expenditures	<u>9.0 %</u>	<u>8.4 %</u>	<u>7.8 %</u>	<u>12.0 %</u>	<u>7.6 %</u>

Note: Upon implementation of GASB 34 in 2003, a new function was added (community development), an existing function was removed (retirement) and various other reclassifications were made. These changes cause the new categories to not be comparable to the old categories in years prior to implementation.

	2004	2005	2006	2007	2008
\$	17,102,573	\$ 17,777,743	\$ 23,884,511	\$ 26,105,579	\$ 24,538,491
	2,218,767	2,215,929	2,161,925	1,762,656	1,422,286
	1,596,750	1,621,631	1,561,136	1,629,982	1,534,686
	16,293,271	23,587,863	17,920,531	23,172,332	22,599,354
	42,270,940	46,421,825	50,749,521	54,626,949	58,945,966
	8,581,519	8,956,331	9,530,333	9,533,202	14,392,386
	4,317,250	5,057,081	5,465,713	5,875,908	6,214,390
	4,399,145	5,025,204	4,631,095	3,264,738	1,968,253
	6,667,627	6,527,582	6,558,678	2,143,030	2,173,857
	1,099,717	2,663,286	4,995,957	6,407,385	4,650,860
	790,720	491,906	870,873	650,032	364,393
	<u>105,338,279</u>	<u>120,346,381</u>	<u>128,330,273</u>	<u>135,171,793</u>	<u>138,804,922</u>
	22,446,128	24,134,700	26,806,604	26,984,381	26,373,070
	3,244,591	3,605,047	2,692,960	3,428,328	2,163,939
	10,312,253	8,397,687	9,546,135	12,599,577	13,937,579
	20,672,454	23,844,358	27,347,522	29,912,573	31,495,112
	9,886,552	10,169,039	10,819,640	13,497,931	15,791,493
	19,394,949	21,513,474	23,560,643	24,679,407	27,189,292
	-	-	-	-	-
	18,946,483	19,558,629	15,134,089	32,474,800	27,344,905
	1,996,101	1,587,517	2,252,439	3,220,206	7,798,926
	894,418	1,032,157	1,140,762	1,090,312	3,507,908
	<u>107,793,929</u>	<u>113,842,608</u>	<u>119,300,794</u>	<u>147,887,515</u>	<u>155,602,224</u>
	<u>(2,455,650)</u>	<u>6,503,773</u>	<u>9,029,479</u>	<u>(12,715,722)</u>	<u>(16,797,302)</u>
	2,866,871	2,576,516	6,331,432	24,521,463	31,671,737
	(2,866,871)	(2,592,516)	(6,331,432)	(24,521,463)	(31,671,737)
	-	-	3,592,000	-	-
	9,962,769	4,013,563	4,938,254	56,569,279	2,038,227
	-	-	(3,522,175)	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	9,962,769	3,997,563	5,008,079	56,569,279	2,038,227
\$	<u>7,507,119</u>	<u>10,501,336</u>	<u>14,037,558</u>	<u>43,853,557</u>	<u>(14,759,075)</u>
	<u>3.3 %</u>	<u>2.8 %</u>	<u>3.3 %</u>	<u>3.7 %</u>	<u>8.8 %</u>

County of McHenry, Illinois
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
Last Ten Levy Years

Fiscal Year	Real Property					Railroad Property and Other	Total Assessed Value	Estimated Actual Value	Total Direct Tax Rate	Total Assessed Value as a % of Estimated Actual Value
	Farm	Residential	Commercial	Industrial	Other					
1999	\$ 180,339,692	\$ 3,786,576,247	\$ 526,285,410	\$ 249,446,094	\$ 10,247,003	\$ 3,415,301	\$ 4,756,307,747	\$ 14,268,923,241	\$ 0.653	33.3 %
2000	190,548,431	3,975,664,595	574,369,403	262,237,552	10,484,900	3,355,628	5,016,660,509	15,049,981,527	0.648	33.3
2001	190,246,427	4,250,167,036	618,316,972	283,951,849	10,820,134	3,444,369	5,356,946,787	16,070,840,361	0.644	33.3
2002	192,152,981	4,613,464,093	667,318,750	302,957,636	10,914,005	3,610,091	5,790,417,556	17,371,252,668	0.638	33.3
2003	195,335,290	5,109,673,949	724,761,093	319,815,302	12,561,726	4,258,627	6,366,405,987	19,099,217,961	0.673	33.3
2004	201,634,517	5,710,037,487	780,498,796	326,803,649	13,193,732	4,590,449	7,036,758,630	21,110,275,890	0.715	33.3
2005	209,598,061	6,266,193,513	863,041,722	347,842,544	13,756,505	5,115,632	7,705,547,977	23,116,643,931	0.735	33.3
2006	227,318,495	7,010,406,096	946,541,231	359,681,646	15,933,834	4,780,696	8,564,661,998	25,693,985,994	0.728	33.3
2007	242,284,601	7,739,948,744	1,042,482,191	378,488,761	15,210,290	5,075,587	9,423,490,174	28,270,470,522	0.706	33.3
2008	255,194,149	8,360,880,272	1,125,071,165	395,468,291	14,396,994	4,909,505	10,155,920,376	30,467,761,128	0.687	33.3

Source: McHenry County Assessor's Office.

Note: Property in McHenry County is reassessed annually. The County assesses property at approximately 33.3% of actual value. Estimated actual value is calculated by dividing total assessed value by that percentage. Tax rates are per \$100 of assessed value.

County of McHenry, Illinois
DIRECT AND OVERLAPPING PROPERTY TAX RATES
Last Ten Levy Years

	Year Taxes Payable				
	1999	2000	2001	2002	2003
DIRECT RATES - COUNTY					
General	0.207	0.221	0.226	0.230	0.250
Highway	0.058	0.054	0.051	0.050	0.046
County Bridge	0.002	0.002	0.002	0.002	0.002
Matching	0.014	0.013	0.013	0.013	0.012
Mental Health	0.125	0.125	0.124	0.123	0.118
Tuberculosis Care and Treatment	0.003	0.003	0.003	0.003	0.002
Illinois Municipal Retirement	0.062	0.055	0.052	0.043	0.040
Veterans' Assistance	0.005	0.005	0.005	0.005	0.005
Loss Prevention and Protection	0.046	0.044	0.044	0.044	0.039
Debt Service	0.094	0.089	0.083	0.078	0.071
Social Security	0.037	0.037	0.041	0.047	0.041
Senior Services	-	-	-	-	-
Nursing Home	-	-	-	-	0.047
Total County	0.653	0.648	0.644	0.638	0.673
OVERLAPPING RATES					
Municipalities	0.171 - 1.319	0.165 - 1.454	0.228 - 1.578	0.227 - 1.565	0.221 - 1.526
Unit School Districts	3.751 - 4.702	3.651 - 4.726	3.638 - 4.826	3.954 - 4.910	3.905 - 4.920
Elementary School Districts	2.077 - 3.151	2.013 - 3.245	2.078 - 3.359	2.099 - 3.355	2.023 - 3.360
High School Districts	1.622 - 2.467	1.616 - 2.178	1.713 - 2.178	1.878 - 2.225	1.815 - 2.157
Community College Districts	0.289 - 0.391	0.282 - 0.417	0.340 - 0.416	0.335 - 0.440	0.318 - 0.438
Conservation District	0.131	0.128	0.125	0.181	0.173
Township and Road Districts	0.090 - 0.309	0.152 - 0.512	0.140 - 0.511	0.134 - 0.862	0.128 - 0.744
Park Districts	0.195 - 0.406	0.188 - 0.637	0.028 - 0.630	0.289 - 0.629	0.025 - 0.592
Fire Protection Districts	0.142 - 0.593	0.140 - 0.590	0.142 - 0.644	0.142 - 0.646	0.138 - 0.658
Library Districts	0.081 - 0.353	0.082 - 0.458	0.083 - 0.469	0.084 - 0.469	0.082 - 0.446
Sanitary Districts	0.045 - 0.094	0.045 - 0.091	0.045 - 0.081	0.047 - 0.077	0.047 - 0.066
Cemetery Districts	0.002 - 0.012	0.002 - 0.010	0.002 - 0.010	0.001 - 0.010	0.001 - 0.010
Rescue Squad District	0.097	0.096	0.098	0.099	0.096

Source: McHenry County Clerk's Office.

Notes: Rates are per \$100 of assessed valuation.

The County's ability to change rates is limited by the Property Tax Extension Limitation Law (PTELL). Increases in rates are limited to the lesser of 5 percent or the increase in the national consumer price index (CPI) for the year preceding the levy year. For the 2007 levy (payable in 2008), the increase was limited to the CPI increase of 2.5%.

Year Taxes Payable

2004	2005	2006	2007	2008
0.250	0.247	0.250	0.250	0.285
0.057	0.055	0.060	0.064	0.060
0.003	0.003	0.002	0.004	0.010
0.014	0.013	0.012	0.028	0.034
0.121	0.125	0.121	0.118	0.114
0.003	0.003	0.002	0.002	0.003
0.066	0.075	0.070	0.056	0.037
0.009	0.008	0.007	0.006	0.006
0.057	0.062	0.064	0.059	0.044
0.011	-	-	-	-
0.043	0.052	0.049	0.036	0.017
0.025	0.023	0.021	0.019	0.018
0.057	0.069	0.070	0.064	0.059
0.715	0.735	0.728	0.706	0.687

0.202 - 1.512	0.191 - 1.472	0.184 - 1.467	0.180 - 1.426	0.175 - 1.409
3.522 - 4.791	3.654 - 4.738	3.587 - 4.517	3.446 - 4.677	3.378 - 4.609
2.029 - 3.498	1.941 - 3.743	1.862 - 3.683	1.919 - 3.754	1.869 - 3.714
1.759 - 2.093	1.970 - 2.035	1.659 - 2.086	1.599 - 2.154	1.552 - 2.149
0.301 - 0.453	0.301 - 0.450	0.256 - 0.447	0.274 - 0.491	0.263 - 0.478
0.166	0.158	0.149	0.143	0.174
0.118 - 0.736	0.110 - 0.701	0.105 - 0.664	0.102 - 0.644	0.098 - 0.629
0.025 - 0.577	0.028 - 0.553	0.300 - 0.534	0.031 - 0.524	0.032 - 0.508
0.134 - 0.656	0.132 - 0.660	0.126 - 0.635	0.189 - 0.623	0.184 - 0.612
0.080 - 0.429	0.078 - 0.418	0.074 - 0.400	0.071 - 0.395	0.069 - 0.383
0.044 - 0.061	0.044 - 0.060	0.045 - 0.057	0.044 - 0.056	0.049 - 0.054
0.001 - 0.009	0.001 - 0.008	0.001 - 0.008	0.001 - 0.008	0.001 - 0.008
0.093	0.091	0.088	0.200	0.195

County of McHenry, Illinois
PRINCIPAL PROPERTY TAX PAYERS
Current Year and Nine Years Ago

Taxpayer	2008			1999		
	Assessed Value	Rank	Percentage of Total Assessed Value	Assessed Value	Rank	Percentage of Total Assessed Value
Inland Real Estate Corp.	\$ 22,067,301	1	0.20 %	\$ -	-	- %
Wal-Mart Stores, Inc.	16,640,468	2	0.15	-	-	-
Meijer Stores	12,244,608	3	0.11	-	-	-
Centro Bradley/Centro Saturn LLC	10,756,038	4	0.10	-	-	-
Target Corp. (Dayton Hudson)	10,655,924	5	0.10	4,638,458	7	0.09
Sky Ridge Partners LP	10,098,649	6	0.09	-	-	-
Sunrise Senior Living/AL IV Investments LLC	9,412,391	7	0.09	-	-	-
Rubloff	9,152,315	8	0.08	-	-	-
Cunat Bros. Inc.	8,848,987	9	0.08	6,016,325	5	0.12
Menard Inc.	8,697,073	10	0.08	-	-	-
Motorola	-	-	-	26,170,497	1	0.52
Freed Joseph J/Assoc Inc.	-	-	-	9,258,681	2	0.18
Bradley Real Estate	-	-	-	7,556,057	3	0.15
Fountains Crystal Lake LP	-	-	-	6,531,485	4	0.13
Terra Cotta Realty Co.	-	-	-	5,830,588	6	0.11
Home Depot USA Inc.	-	-	-	4,563,763	8	0.09
AMLI Commercial Properties Ltd	-	-	-	4,549,840	9	0.09
Wells Manufacturing Co.	-	-	-	4,525,458	10	0.09
	<u>\$ 118,573,754</u>		<u>1.08 %</u>	<u>\$ 79,641,152</u>		<u>1.57 %</u>

Source: McHenry County Assessor's Office.

County of McHenry, Illinois
PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Levy Years

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collected in Subsequent Years	Total Collected to Date	
		Amount	Percent of Levy		Amount	Percent of Levy
1999	\$ 31,063,507	\$ 30,641,585	98.64 %	\$ 265,505	\$ 30,907,090	99.50 %
2000	32,518,035	31,732,277	97.58	677,748	32,410,025	99.67
2001	34,498,825	34,433,985	99.81	-	34,433,985	99.81
2002	36,942,911	36,826,757	99.69	-	36,826,757	99.69
2003	42,814,112	42,737,686	99.82	-	42,737,686	99.82
2004	50,333,994	50,268,332	99.87	-	50,268,332	99.87
2005	56,605,027	56,478,087	99.78	-	56,478,087	99.78
2006	62,333,680	62,245,602	99.86	-	62,245,602	99.86
2007	66,273,418	66,174,779	99.85	-	66,174,779	99.85
2008	69,497,238	69,328,620	99.76	-	69,328,620	99.76

Source: McHenry County Clerk's Office.

County of McHenry, Illinois
RATIOS OF OUTSTANDING DEBT - BY TYPE
Last Ten Fiscal Years

Fiscal Year	Governmental Activities				Business-Type Activities			Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Debt Certificates	Capital Leases	Installment Notes	Debt Certificates	Revenue Bonds	Capital Leases			
1999	\$ 17,140,000	\$ -	\$ 1,689,362	\$ 951,801	\$ -	\$ 1,030,000	\$ -	\$ 20,811,163	0.26 %	\$ 84.32
2000	13,330,000	-	1,035,269	753,742	-	900,000	-	16,019,011	0.18	61.59
2001	9,380,000	4,250,000	755,165	507,993	-	765,000	-	15,658,158	0.17	57.89
2002	5,180,000	14,843,651	1,188,545	340,414	-	765,000	-	22,317,610	0.24	80.36
2003	770,000	14,417,072	919,158	164,644	-	625,000	-	16,895,874	0.17	59.06
2004	-	23,433,077	804,464	-	12,500,000	325,000	-	37,062,541	0.36	125.05
2005	-	25,589,569	1,074,018	-	12,500,000	325,000	-	39,488,587	0.37	129.90
2006	-	28,840,473	785,929	-	12,020,000	165,000	52,774	41,864,176	0.36	134.02
2007	-	81,460,136	1,348,872	-	11,535,000	-	39,586	94,383,594	0.77	298.74
2008	-	74,637,760	2,410,549	-	11,035,000	-	25,997	88,109,306	0.69	276.52

Note: Details regarding the County's outstanding debt can be found in the notes to financial statements. See Demographic and Economic Statistics at page 177 for and personal income and population data.

County of McHenry, Illinois
RATIOS OF OUTSTANDING GENERAL BONDED DEBT
Last Ten Fiscal Years

Fiscal Year	General Bonded Debt				Percentage of Estimated Actual Value of Property	Per Capita
	General Obligation Bonds	Debt Certificates	Less: Amounts Restricted to Repaying Principal	Net General Bonded Debt		
1999	\$ 17,140,000	\$ -	\$ (1,177,813)	\$ 15,962,187	0.11 %	\$ 64.67
2000	13,330,000	-	(1,136,658)	12,193,342	0.08	46.88
2001	9,380,000	4,250,000	(769,708)	12,860,292	0.08	47.54
2002	5,180,000	14,843,651	(244,459)	19,779,192	0.11	71.22
2003	770,000	14,417,072	(136,608)	15,050,464	0.08	52.61
2004	-	35,933,077	-	35,933,077	0.17	121.24
2005	-	38,089,569	-	38,089,569	0.16	125.30
2006	-	40,860,473	-	40,860,473	0.16	130.81
2007	-	92,995,136	-	92,995,136	0.33	294.34
2008	-	85,672,760	-	85,672,760	0.28	268.87

Note: Details regarding the County's outstanding debt can be found in the notes to financial statements.
See Assessed Value and Estimated Actual Value of Taxable Property Schedule at page 167 for property value data.
See Demographic and Economic Statistics at page 177 for population data.

County of McHenry, Illinois
 DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
November 30, 2008

	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
Direct			
County of McHenry	\$ 77,717,000	100.0 %	\$ 77,717,000
Overlapping			
Municipalities	126,002,000	5.6 - 100.0	106,039,000
Unit School Districts	865,716,000	0.1 - 100.0	377,682,000
Elementary School Districts	111,143,000	94.4 - 100.0	108,885,000
High School Districts	84,970,000	98.7 - 100.0	84,552,000
Community College Districts	181,980,000	0.1 - 97.0	13,036,000
Conservation District	161,788,000	100.0	161,788,000
Township and Road Districts	3,020,000	100.0	3,020,000
Park Districts	42,378,000	83.6 - 100.0	38,833,000
Fire Protection Districts	14,920,000	7.4 - 100.0	10,644,000
Library Districts	21,776,000	2.2 - 100.0	9,653,000
Total Overlapping			<u>914,132,000</u>
Total Direct and Overlapping Debt			<u>\$ 991,849,000</u>

Sources: Assessed value data used to estimate applicable percentages provided the County Clerk's Office. Debt outstanding data obtained from annual financial reports submitted to the Illinois Comptroller or Illinois State Board of Education or from individual comprehensive annual financial reports.

Notes: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the County. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the County. This process recognizes that, when considering the County's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses of the County should be taken into account. However, this does not mean that every taxpayer of the County is a taxpayer of each of the above overlapping districts and responsible for bearing the repayment of the long-term debt of each overlapping district.

The percentage of overlapping debt applicable is estimated using assessed property values. Applicable percentages were estimated by determining the portion of another district's assessed value that is within the County's boundaries and dividing it by that district's total assessed value.

Amounts are rounded to the nearest thousand.

County of McHenry, Illinois
LEGAL DEBT MARGIN INFORMATION
Last Ten Fiscal Years

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Debt limit	\$ 136,743,848	\$ 144,228,990	\$ 154,012,220	\$ 166,474,505	\$ 183,034,172	\$ 202,306,811	\$ 221,534,504	\$ 246,234,032	\$ 270,925,343	\$ 291,982,711
Total debt applicable to limit	<u>2,641,163</u>	<u>1,789,011</u>	<u>1,263,158</u>	<u>1,528,959</u>	<u>1,083,802</u>	<u>804,464</u>	<u>1,074,018</u>	<u>-</u>	<u>54,885,000</u>	<u>50,385,000</u>
Legal debt margin	<u>\$ 134,102,685</u>	<u>\$ 142,439,979</u>	<u>\$ 152,749,062</u>	<u>\$ 164,945,546</u>	<u>\$ 181,950,370</u>	<u>\$ 201,502,347</u>	<u>\$ 220,460,486</u>	<u>\$ 246,234,032</u>	<u>\$ 216,040,343</u>	<u>\$ 241,597,711</u>
Total debt applicable to limit as a percentage of debt limit	<u>1.93</u> %	<u>1.24</u> %	<u>0.82</u> %	<u>0.92</u> %	<u>0.59</u> %	<u>0.40</u> %	<u>0.48</u> %	<u>-</u> %	<u>20.26</u> %	<u>17.26</u> %

Legal Debt Margin Calculation for Fiscal Year 2008

Assessed valuation (2007 tax year)	\$ <u>10,155,920,376</u>
Debt limitation (2.875% of assessed valuation)	<u>291,982,711</u>
Debt outstanding	
Debt Certificates	85,672,760
Capital Leases	<u>2,436,546</u>
Subtotal	88,109,306
Less: debt not subject to limitation	<u>(37,724,306)</u>
Total debt applicable to limit	<u>50,385,000</u>
Debt limit margin	\$ <u>241,597,711</u>

Note: Per state statute, the County is limited to issuing debt in an amount not to exceed 2.875% of the assessed value of the taxable property within the County. However, this limitation does not apply to debt issued for the purpose of building a County court house, jail, or other necessary County buildings and for the accommodation thereof. (50 ILCS 405 - Local Government Debt Limitation Act)

County of McHenry, Illinois
PLEDGED REVENUE COVERAGE
Last Ten Fiscal Years

911 Fund Revenue Bonds							
Fiscal Year	Charges for Services	Other Revenue	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
					Principal	Interest	
1999	\$ 845,643	\$ 46,506	\$ 1,814,769	\$ (922,620)	\$ 610,000	\$ 54,710	-
2000	820,046	44,129	586,185	277,990	130,000	39,112	1.64
2001	1,489,078	38,453	1,006,893	520,638	135,000	34,563	3.07
2002	1,985,406	41,838	795,253	1,231,991	-	29,702	41.48
2003	1,841,241	59,734	1,070,032	830,943	140,000	24,823	5.04
2004	1,932,388	47,455	1,213,330	766,513	300,000	18,785	2.40
2005	1,966,275	72,133	1,232,169	806,239	-	13,195	61.10
2006	2,032,278	104,103	1,332,078	804,303	160,000	7,035	4.82
2007	2,209,926	135,558	1,517,913	827,571	165,000	300	5.01
2008	-	-	-	-	-	-	-

Notes: Details regarding the County's outstanding debt can be found in the notes to financial statements. Operating expenses do not include interest, depreciation, or amortization expenses. 911 Fund revenue bonds are backed by charges for services, which represent monthly telephone surcharges paid on telephone lines within the County. This issue was paid off in 2007.

County of McHenry, Illinois
DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Fiscal Years

Year	(1) Population	(2) Personal Income	Per Capita Personal Income	(3) School Enrollment	(3) Number of Teachers	(4) Unemployment Rate	
1999	246,812	\$ 7,860,617,000	\$ 31,849	43,298	3,139	3.5	%
2000	260,077	8,731,257,000	33,572	44,999	3,280	3.6	
2001	270,504	9,020,494,000	33,347	46,460	3,460	4.7	
2002	277,710	9,284,767,000	33,433	48,356	3,475	5.6	
2003	286,091	9,707,351,000	33,931	50,097	3,654	5.9	
2004	296,389	10,333,931,000	34,866	51,535	3,638	5.2	
2005	303,990	10,745,175,000	35,347	53,235	3,350	5.1	
2006	312,373	11,684,785,000	37,407	53,917	3,142	3.7	
2007	315,943	12,291,318,000	38,904	54,256	3,523	4.3	
2008	318,641	12,841,866,000	40,302	54,350	3,742	5.8	

Sources:

- (1) US Census Bureau.
- (2) Bureau of Economic Analysis, US Department of Commerce.
- (3) Regional Superintendent of Schools.
- (4) Illinois Department of Employment Security.

County of McHenry, Illinois
PRINCIPAL EMPLOYERS
Current Year and Nine Years Ago

Employer	2008			1999		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Centegra Health System	3,093	1	1.82 %	2,078	1	1.53 %
County of McHenry	1,300	2	0.76	1,200	3	0.88
Follett Library Resources	1,159	3	0.68	895	6	0.66
Affinia Under Vehicle Group	910	4	0.53	850	7	0.63
Intermatic, Inc.	850	5	0.50	973	4	0.72
Mercy Health System	775	6	0.45	-	-	-
Brown Printing	752	7	0.44	-	-	-
McHenry County College	654	8	0.38	-	-	-
Knaack LLC	500	9	0.29	-	-	-
Sage Products, Inc.	481	10	0.28	750	9	0.55
Motorola, Inc.	-	-	-	1,500	2	1.10
Union Special Corp.	-	-	-	900	5	0.66
School District #47	-	-	-	756	8	0.56
Graftek Press Inc.	-	-	-	670	10	0.49
	<u>10,474</u>		<u>6.15 %</u>	<u>10,572</u>		<u>7.78 %</u>

Source: Principal employers obtained from the annual McHenry County Book of Lists, compiled by the McHenry County Business Journal. Total County employment obtained from the Illinois Department of Employment Security.

County of McHenry, Illinois
FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES - BY FUNCTION
Last Ten Fiscal Years

FUNCTION/PROGRAM	Full-time Equivalent Employees as of November 30,									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General and administrative	160.2	161.2	172.5	179.3	184.0	195.7	196.8	201.7	203.9	213.3
Community development	22.0	24.0	25.0	26.0	23.0	22.0	20.0	23.6	25.1	23.5
Transportation	31.0	34.0	35.0	33.0	36.0	38.0	48.0	50.5	56.5	59.5
Public safety	260.1	268.6	271.8	285.5	296.5	316.9	377.5	382.5	394.2	404.9
Judiciary and court related	158.7	164.8	170.4	177.0	173.6	175.1	175.0	194.8	211.5	212.1
Public health and welfare	233.6	224.7	238.7	233.6	252.0	267.9	270.3	300.1	302.6	312.2
	<u>865.6</u>	<u>877.3</u>	<u>913.4</u>	<u>934.4</u>	<u>965.1</u>	<u>1,015.6</u>	<u>1,087.6</u>	<u>1,153.2</u>	<u>1,193.8</u>	<u>1,225.5</u>

Source: McHenry County Department of Human Resources.

Note: A full-time employee is scheduled to work 37.5 hours per week, which is equal to 1950 hours per year (52 weeks * 37.5 hours/week). Full-time equivalent employment is calculated by dividing total labor hours by 1950.

County of McHenry, Illinois
OPERATING INDICATORS - BY FUNCTION
Last Ten Fiscal Years

<u>FUNCTION/PROGRAM</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
General and administrative										
Documents recorded	90,934	71,902	96,268	123,271	173,421	115,446	110,544	96,602	86,224	65,141
Real estate transfer declarations	9,500	9,757	10,323	10,903	11,774	11,225	11,886	9,550	6,811	4,661
Birth certificates issued	1,855	1,891	1,936	1,954	1,859	2,109	2,264	2,213	2,062	2,066
Parcels assessed	119,864	122,477	125,657	127,665	130,547	133,137	136,646	140,899	142,521	147,007
Registered voters	149,000	161,637	165,112	169,530	172,648	186,394	184,315	186,323	189,386	199,378
Tax bills mailed	114,918	117,247	120,129	121,954	124,597	126,796	130,266	134,047	137,723	136,597
Passports issued	3,430	4,412	4,273	3,670	3,188	2,627	1,774	2,018	2,528	1,603
Teachers certified	3,139	3,280	3,460	3,475	3,654	3,638	3,350	3,142	3,523	3,742
Community development										
Building permit applications	1,382	1,632	1,990	2,117	1,885	1,798	1,636	1,421	1,430	1,387
Zoning petitions filed	94	89	89	106	127	131	140	96	100	79
Transportation										
Permits (access, facility, & utility)	71	87	53	161	181	140	104	114	159	108
Miles paved	16.6	18.1	13.7	11.7	24.0	22.1	15.3	15.7	15.9	27.3
Public safety										
Incoming 911 calls	n/a	19,131	22,113	31,456	32,694	30,701	31,735	33,187	36,148	35,215
Arrests	3,093	2,671	2,648	2,750	2,907	3,095	3,006	2,556	3,690	3,827
Citations issued	7,976	8,617	8,170	7,636	8,238	10,344	11,223	12,215	14,085	13,294
Inmates processed	4,735	6,208	7,021	5,939	6,509	6,615	6,966	8,513	9,796	10,378
Hazardous material and other emergency responses	48	55	48	41	53	73	51	55	50	55
Judiciary and court related										
Judges	12	12	12	12	12	12	12	13	15	16
Total cases filed	74,623	77,959	79,259	88,808	91,418	89,332	93,338	96,769	105,502	103,207
Jury trials	81	44	42	47	37	36	30	37	60	81
Defendants appointed to public defender	2,977	2,933	3,541	4,209	4,487	4,906	4,826	4,213	4,306	4,979
Charges disposed by public defender	6,013	6,009	7,025	8,159	8,811	10,736	10,450	9,078	8,750	9,914
Public health and welfare										
Food establishment inspections	3,556	3,652	3,975	3,973	4,169	4,485	5,479	5,753	5,680	5,765
Vision screenings	12,442	12,849	10,879	13,184	11,969	12,915	12,577	12,095	11,114	9,629
Hearing screenings	14,209	13,937	12,135	14,152	13,479	15,254	13,989	13,255	13,272	13,126
Nursing home - resident days	39,601	40,728	41,254	41,829	41,027	40,528	40,695	41,181	43,406	44,450
Veterans assistance cases	430	485	533	496	469	439	474	523	470	590

Sources: County Departments.

County of McHenry, Illinois
CAPITAL ASSET STATISTICS - BY FUNCTION
Last Ten Fiscal Years

FUNCTION/PROGRAM	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General and administrative										
Primary buildings	1	1	1	1	2	2	2	2	2	2
Transportation										
Lane miles	495	495	495	495	495	495	495	495	502	490
Street lights	109	112	112	112	114	114	209	233	267	363
Traffic signals	20	21	22	23	24	24	25	27	29	31
Bridges	37	37	37	37	37	37	37	37	37	38
Vehicles	n/a	57	57	56	61	68	68	69	75	79
Public safety										
Jail inmate capacity	325	325	325	325	325	325	325	620	632	666
Sheriff vehicles	119	118	119	124	145	144	146	165	173	172
Sheriff boats	6	6	6	6	6	6	6	6	6	6
Judiciary and court related										
Courtrooms	12	12	12	12	13	13	13	13	16	16
Public health and welfare										
Nursing home capacity	117	117	117	117	117	117	117	117	127	128
Vehicles - veterans assistance	2	3	3	3	4	4	4	4	4	5

Sources: County Departments.